

President of the United States to extend invitations to Central and South American Governments to be represented at a conference looking to the improvement of the financial relations between the United States and these nations. I ask that the report be received, and that for further consideration the joint resolution and the report be referred to the Committee on Appropriations.

The joint resolution (S. J. Res. 228) authorizing the President of the United States to extend invitations to Central and South American Governments to be represented at a conference looking to the improvement of the financial relations between the United States and these nations was read twice by its title.

The PRESIDING OFFICER. The Senator from Missouri asks that the joint resolution and the report be referred to the Committee on Appropriations. That order will be made, without objection.

Mr. OLIVER. I object.

The PRESIDING OFFICER. Objection is made.

Mr. STONE subsequently asked that the joint resolution lie on the table, and it was agreed to.

ORDER OF BUSINESS.

Mr. SHIVELY. I ask unanimous consent to submit a report from the Committee on Pensions.

The PRESIDING OFFICER. The Senator from Indiana asks unanimous consent to submit a report from the Committee on Pensions.

Mr. OLIVER. Is it a pension bill?

Mr. SHIVELY. Yes.

Mr. OLIVER. I do not feel that I can object to a report upon such a bill.

Mr. SMOOT. I am a member of the Committee on Pensions, and as long as objection has been made to the reception of other business I object to this report being received.

The PRESIDING OFFICER. Objection is made.

EXECUTIVE SESSION.

Mr. STONE. Mr. President, as we are having a filibuster against pensions and everything else, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and the Senate (at 6 o'clock and 25 minutes p. m., Wednesday, January 20, 1915) took a recess until to-morrow, Thursday, January 21, 1915, at 11 o'clock a. m.

NOMINATIONS.

Executive nominations received by the Senate January 20 (legislative day of January 15), 1915.

COMMISSIONER FOR THE DISTRICT OF COLUMBIA.

Louis Brownlow, of the District of Columbia, to be a Commissioner for the District of Columbia for a term of three years, vice Frederick L. Siddons, resigned.

UNITED STATES ATTORNEY.

Edwin S. Wertz, of Wooster, Ohio, to be United States attorney for the northern district of Ohio, vice Ulysses G. Denman, resigned, effective March 1, 1915.

PROMOTIONS IN THE REVENUE-CUTTER SERVICE.

Second Lieut. Frank Lynn Austin to be first lieutenant in the Revenue-Cutter Service of the United States, to rank as such from September 13, 1914, in place of First Lieut. Leonard Taylor Cutter, retired.

Third Lieut. Wilmer Hake Eberly to be second lieutenant in the Revenue-Cutter Service of the United States, to rank as such from September 13, 1914, in place of Second Lieut. Frank Lynn Austin, promoted.

Third Lieut. Russell Lord Lucas to be second lieutenant in the Revenue-Cutter Service of the United States, to rank as such from September 19, 1914, in place of Second Lieut. Howard Eugene Rideout, promoted.

Second Lieut. Howard Eugene Rideout to be first lieutenant in the Revenue-Cutter Service of the United States, to rank as such from September 19, 1914, in place of First Lieut. William Edwin At Lee, deceased.

CONFIRMATIONS.

Executive nominations confirmed by the Senate January 20 (legislative day of January 15), 1915.

REGISTER OF THE LAND OFFICE.

Dallas C. Weyand to be register of the land office at Glenwood Springs, Colo.

REAPPOINTMENT IN THE ARMY.

JUDGE ADVOCATE GENERAL'S DEPARTMENT.

Brig. Gen. Enoch H. Crowder to be Judge Advocate General with the rank of brigadier general.

APPOINTMENT IN THE ARMY.

CHAPLAIN.

Rev. Adolf John Schliesser to be chaplain with the rank of first lieutenant.

POSTMASTERS.

ILLINOIS.

Harold M. Oakford, Walnut.

KANSAS.

W. L. D. Hagan, Newton.

John A. Lindahl, Enterprise.

KENTUCKY.

William P. Kirtley, Horse Cave.

MICHIGAN.

John D. Burgess, West Branch.

William Grant Howard, Marion.

NEW JERSEY.

Robert L. De Camp, Westfield.

OHIO.

Frederick M. Bushnell, Mansfield.

Mrs. Mary K. Long, Medina.

James E. Sullivan, Lima.

PENNSYLVANIA.

David V. Hays, Burgettstown.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, January 20, 1915.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

Our Father in heaven, as the shadows lengthen and we feel the touch of time, we are altogether reassured that Thy providence has shaped and guided our lives and brought us in thought and deed closer to Thee in the broader, truer faith, in the brighter, clearer hope, in the stronger ties of love for Thee and our fellow men. Continue thus, we pray Thee, to lead us "Till we all come in the unity of the faith, and of the knowledge of the Son of God unto a perfect man, unto the measure of the stature of the fullness of Christ," and all praise be Thine forever. Amen.

The Journal of the proceedings of yesterday was read and approved.

HOURLY OF MEETING TO-MORROW.

Mr. UNDERWOOD. Mr. Speaker, at the request of the chairman of the Committee on Military Affairs, in order to expedite the passage of the Army appropriation bill, which is in his charge, I ask unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow morning.

The SPEAKER. The gentleman from Alabama asks unanimous consent that when the House adjourns to-day it adjourn to meet at 11 o'clock to-morrow morning. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

S. W. LANGHORNE AND H. S. HOWELL.

Mr. EVANS. Mr. Speaker, I ask unanimous consent for the present consideration of the resolution which I send to the desk to be read by the Clerk.

The SPEAKER. The Clerk will report it.

The Clerk read as follows:

House resolution 706.

Resolved, That the Senate be requested to furnish the House of Representatives a duplicate copy of the bill (S. 2334) for the relief of S. W. Langhorne and the legal representatives of H. S. Howell, the same having been lost or destroyed since its reference to the Committee on Claims of the House.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. STAFFORD. Mr. Speaker, does that provide for a duplicate engrossed copy?

The SPEAKER. If it does not, it ought to. Without objection, the word "engrossed" will be inserted in the resolution before the word "copy."

There was no objection.

EXTENSION OF REMARKS.

Mr. FARR. Mr. Speaker, I ask unanimous consent to extend in the Record certain facts and figures on the food question, furnished by the Department of Agriculture to Chairman LEVER, of the Committee on Agriculture, in response to a resolution offered by me on January 9.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the Record by printing certain statements and facts and notes submitted by the Department of Agriculture to Mr. Chairman LEVER. Is there objection?

There was no objection.

Mr. PARK. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on the necessity of an appropriation for the improvement of the Flint River, Ga.

The SPEAKER. The gentleman from Georgia [Mr. PARK] asks unanimous consent to extend his remarks in the Record on the necessity of an appropriation for the improvement of the Flint River, Ga. Is there objection?

There was no objection.

Mr. LINDBERGH. Mr. Speaker, I rose yesterday to a question of personal privilege. There was some objection yesterday on account of the time it would take up. Now I wish to ask this morning, in order to avoid all questions on personal privilege, unanimous consent that I may extend my remarks in the Record, inserting therein the letter of the party which I presented to the Speaker yesterday, my answer to that letter, the resolution upon which that letter was practically based, and that I may discuss in connection therewith the system that is involved in the resolution pending before the House, which I introduced, known as resolution 696, I think, and that I may have now 5 or 10 minutes in which to explain what the line of my discussion will be.

The SPEAKER. The gentleman from Minnesota [Mr. LINDBERGH] asks unanimous consent—

Mr. ADAMSON. Mr. Speaker, reserving the right to object—

The SPEAKER. Wait until the Speaker states it. The gentleman from Minnesota [Mr. LINDBERGH] asks unanimous consent to extend his remarks in the Record by printing the letter to which he referred yesterday, and his answer to it, and the resolution which he offered, which seems to be the basis of the letter of which he complains, and also that he have now 5 or 10 minutes in which to indicate the line of his extended remarks.

Mr. ADAMSON. I have no objection, Mr. Speaker, to the gentleman's printing, nor have I any objection to his speaking, except at this particular time. There is a gentleman here who has to take the 1 o'clock train for New York, and I would like for him to make a few remarks before 1 o'clock, when we get into Committee of the Whole, and I will have no objection to the gentleman speaking in Committee of the Whole.

Mr. UNDERWOOD. Mr. Speaker, reserving the right to object, I stated the other day—and I might as well state it again—that I do not want to play any favorites, and I do not want to interfere with the personal desires of Members of the House, except where their desires interfere with public business.

Now, when a Member rises to a matter that is personal to him I feel that he is entitled to a reasonable time, if it is a question of personal privilege, or of that nature, and I would not object. The question involved here is not a question of personal privilege; it is a question of disagreement about legislation; and I think at this late time in the session we can not afford to have a discussion by unanimous consent when we have so much important business to attend to. I have told gentlemen on this side of the House that if they made a request of that kind I should have to object to it, and I shall have to object to such requests on the other side of the House. When we go into Committee of the Whole, when we have something before the House, I shall not raise any captious objection; but if we make an exception in one case we will have to make it in another. I hope the gentleman will not press his request to speak at this time.

Mr. LINDBERGH. Since objection has been made, I do not wish to be technical. I will ask if I can not have some time later in the day.

Mr. UNDERWOOD. The gentleman from Georgia is in charge of the bill, and I have no doubt that he will grant the gentleman time.

Mr. LINDBERGH. Will the gentleman from Georgia give me some time?

Mr. ADAMSON. I have no objection to the gentleman's taking some time.

Mr. LINDBERGH. Then, Mr. Speaker, I ask leave to print in the Record my remarks as stated.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to extend his remarks in the Record as stated. Is there objection? [After a pause.] The Chair hears none.

Mr. GLASS. Mr. Speaker, I desire to ask unanimous consent that I may print in the Record a letter that I had occasion to write to Henry B. Joy in connection with the same matter referred to by the gentleman from Minnesota [Mr. LINDBERGH].

The SPEAKER. The gentleman from Virginia asks unanimous consent to extend his remarks in the Record by printing a letter that he wrote to Henry B. Joy about the same matter that the gentleman from Minnesota refers to. Is there objection?

Mr. MOORE. Reserving the right to object, I would inquire if this is a letter from Mr. Joy to the gentleman from Virginia or a letter from Mr. GLASS to Mr. Joy?

Mr. GLASS. It is a letter I wrote to Mr. Joy in response to a letter which Joy wrote to Mr. Delano, of the Federal Reserve Board, a copy of which was sent to every Member of the House and Senate.

The SPEAKER. Is there objection?

Mr. McLAUGHLIN. Reserving the right to object, I would like to ask if Mr. Joy's letter will also be printed.

Mr. GLASS. If the gentleman cares to have it printed. I do not ask for it.

Mr. McLAUGHLIN. Would it not be better to have Mr. Joy's letter printed with the others? I do not ask for it.

Mr. GLASS. I think so, and then perhaps my reply would be more intelligible.

Mr. McLAUGHLIN. It is suggested that the gentleman from Minnesota [Mr. LINDBERGH] proposes to print Mr. Joy's letter, and there is no necessity of its being printed twice.

Mr. GLASS. I do not care who prints Mr. Joy's letter, but I hope it will be printed.

The SPEAKER. The gentleman from Minnesota [Mr. LINDBERGH] asked in his request to print the Joy letter. Is there objection to the request of the gentleman from Virginia? [After a pause.] The Chair hears none.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on the river and harbor bill.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to extend his remarks on the river and harbor bill. Is there objection?

There was no objection.

Mr. KENT. Mr. Speaker, I ask unanimous consent to extend my remarks in the Record on the river and harbor bill.

The SPEAKER. Is there objection to the request of the gentleman from California? [After a pause.] The Chair hears none.

TO CREATE THE COAST GUARD.

The SPEAKER. This is Calendar Wednesday, and the Clerk will call the committees.

The Clerk called the Committee on Interstate and Foreign Commerce.

Mr. ADAMSON. Mr. Speaker, by direction of the Committee on Interstate and Foreign Commerce I call up the bill S. 2337, an act to create the coast guard by combining therein the existing Life-Saving Service and Revenue-Cutter Service.

The SPEAKER. This bill is on the Union Calendar.

Mr. ADAMSON. Mr. Speaker, if it is in order in the operation of the automatic rule I want to ask unanimous consent to agree upon some time for general debate.

The SPEAKER. The Chair thinks it is in order.

Mr. ADAMSON. I would like to ask the gentleman from Minnesota if we can agree on a time.

Mr. STEVENS of Minnesota. I have had no application for time, but I think it would be wise to reserve some time. I would suggest 30 minutes on a side.

Mr. ADAMSON. Does not the gentleman think that under the five-minute rule it would be more satisfactory than to have it in general debate?

Mr. MANN. I want a little time on it, and I shall object to any agreement as to time at present.

The SPEAKER. The House will resolve itself into Committee of the Whole House on the state of the Union, and the gentleman from California [Mr. RAKER] will take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. RAKER in the chair.

The CHAIRMAN. The House is now in Committee of the Whole House on the state of the Union for the consideration of the bill, of which the Clerk will read the title.

The Clerk read as follows:

S. 2337. An act to create the coast guard by combining therein the existing Life-Saving Service and Revenue-Cutter Service.

Mr. ADAMSON. I ask unanimous consent, Mr. Chairman, to dispense with the first reading of the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

Mr. STAFFORD. I think the bill ought to be read; it is a short bill.

Mr. ADAMSON. The gentleman from Minnesota [Mr. MILLER] is to take the train at 1 o'clock. If the bill is to be read, I ask unanimous consent that I may yield to him now and have the bill read later.

Mr. STAFFORD. If that is the case, Mr. Chairman, I withdraw the objection.

The CHAIRMAN. Is there objection to dispensing with the first reading of the bill?

There was no objection.

Mr. MILLER. Mr. Chairman and gentlemen of the committee, I thank the chairman of the committee and the gentleman from Wisconsin for the courtesy. I desire to express to the House in the very few moments at my disposal my sincere and deep conviction that this is one of the most timely pieces of legislation that we have been or will be called upon to enact at this session of Congress. It contemplates a reorganization in a sense of the Coast-Guard service and the Life-Saving Service, combining them into one department, giving them a legitimate standing and a proper protection in their services. I will not at this time say anything respecting the Coast-Guard service. I appeal now at this time particularly in behalf of the Life-Saving Service. The storms which blow over the deep waters of the sea and the Lakes put constantly in jeopardy the property and lives of the people of the United States. The men who in those times of stress when the storm is on the deep and death is in the air serve their fellow men and their country belong to the Life-Saving Service. I have seen men of this service time out of mind go literally down into the jaws of death that they might save a sailor, that they might save a passenger, that they might aid a vessel in distress. I recall distinctly on one occasion when a boat was wrecked at the western extremity of Lake Superior I saw a life-saving crew rescue 25 men, every one of whom had his life hanging in the balance. After four hours of work in that storm and cold I saw them move to another boat in distress and perform deeds of heroism that put almost into insignificance the heroic deeds now being done on the battle fields in another arena, and yet I found upon inquiry that those men, called upon for this hazardous service were only given employment for a few months in the year and at a very low salary, and that through the remaining months—three or four—they were obliged to find a livelihood any way they could, and many of them had great difficulty in doing so.

It seems to me that this service, important as it is, justifies it should receive a recognition at the hands of our Government; that these men should be given steady employment; that these men should be given opportunity after 30 years' service to retire the same as is given now to members of the Coast Guard Service. What would anybody think, Mr. Chairman, if we had firemen employed on a pay roll of our cities only during certain seasons of the year and let them scatter abroad to earn a livelihood in other ways, trusting when the winter season comes we can reorganize them again; and therein lies the necessity of this legislation. While many of them do come back, a great many of them do not, and therefore it is impossible to keep the organization, the drill, and efficiency up to that high point to which it should be kept when you are continually dissipating the system by which your organization is composed. Now, I recognize it will be replied that in some portions of our country, where they do not have a cold winter season, men are employed in the Life-Saving Service the year around, and that is true, but that does not apply to the Great Lakes, one of the most important of all the maritime parts of the Nation. And so, in behalf of scores of life-saving organizations of the Great Lakes, I ask you to pass this bill. And may I say one thing further before my time expires? While it may be we differ or could differ a little respecting some of the details of the bill, yet it seems to me that the bill has been worked out with the utmost care, and it is the evolution of experience—

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMSON. Does the gentleman desire more time?

Mr. MILLER. One minute.

Mr. ADAMSON. I yield another minute or two to the gentleman, if he desires it.

Mr. MILLER. It is the evolution of experience, of the experience of the service, of the experience of the officials, of the experience of the great public-spirited people who are interested

in these heroes who are doing this work, and it seems to me we can better afford to pass this bill without substantial amendment than to amend it at all. We know what some of the results are of serious amendments at this time of the session, and I sincerely trust it will be the good judgment of this committee to recommend that this bill, substantially in its present form, shall pass the House, and that the life-saving men who are performing this extremely meritorious service at least will be given the dignity—at least will be given the position in the governmental service to which they are entitled. [Applause.]

Mr. ADAMSON. Mr. Chairman, the gentleman to whom I wish to yield is not in at this time. There are so many gentlemen who desire time to discuss the bill, it has so many friends, I wish to be as liberal as possible, although I do not care to consume much time myself, and in order that I may be able to do that I will ask unanimous consent to extend my remarks in the Record by printing a statement which has been prepared setting forth the bill.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia? [After a pause.] The Chair hears none.

The statement is as follows:

THE COAST GUARD BILL AT A GLANCE.

EXISTING CONDITIONS SOUGHT TO BE REMEDIED.

"1. Owing to insufficient pay and lack of a retired list practically one-third of the life-saving stations are now either unmanned or manned with inefficient men.

"2. An average of 11 men a year die in the service from disease or exposure incident to the hazardous duties.

"3. In addition an average of 20 men are discharged annually before the expiration of their enlistments on account of physical unfitness developed as incident to exposure and their hazardous duties.

"4. The Revenue-Cutter Service and the Life-Saving Service, both devoted in the main to the saving of life and property from the ravages of the sea, are now operated as distinct organizations, although formerly administered by one executive head.

WHAT THE COAST GUARD BILL CONTEMPLATES.

"1. Great increase in the efficiency of the Life-Saving Service by—

"(a) Combining both services under one executive head.

"(b) Providing a retired list for the men on account of age or after 30 years' service.

"(c) Giving the men of the Life-Saving Service longevity pay for reenlistments.

"(d) Giving the men of the Life-Saving Service clothing allowance and medical attention from the Public Health Service.

"(e) In lieu of a pension list for the dependents of those who lost their lives in the service, a sum of money equivalent to two years' pay is given. This is much more economical for the Government than a pension.

"2. It creates a naval reserve of about 4,100 trained and highly efficient officers and men ready at a moment's notice to operate under the Navy Department whenever the President directs.

"3. The coast guard constitutes a naval reserve without any additional cost to the Government as such, as the saving of life and property at all times is worth much more to the people than its cost of maintenance.

"4. It places on the retired list at three-quarters pay Sumner I. Kimball, now 80 years of age, the man who founded the life-saving system and who has devoted the best years of his life to its upbuilding. A fitting tribute to one the effects of whose humanitarian efforts will last for ages.

WHAT THE COAST GUARD BILL DOES NOT DO.

"1. It does not create nor inaugurate in any manner a civil retired list, as this bill especially provides that the coast guard shall be distinctly a branch of the military forces of the Government.

"2. It does not in any way increase the number of employees of the Government.

"3. It raises no basic salaries. All increases in pay are due to length of service only.

"4. It does not increase the pay or allowances of any commissioned officer of the Revenue-Cutter Service.

WHAT IT WILL COST.

"All the advantages of this bill, both to the Government and to the men, will be brought about at a maximum total increased cost of but \$400,000 per annum, which is less than 8 per cent of the present annual cost for the entire maintenance and operation of the two existing services.

ADDITIONAL COST DURING FIRST YEAR UNDER COAST GUARD.

Life-Saving Service:			
Retirements for age (77)-----	\$67,095.00		
Retirements, 30 years' service (42)-----	34,545.00		
Longevity pay increase, all grades-----	263,500.00		
			\$365,140.00
Revenue-Cutter Service:			
Retirements for age (10)-----	9,570.60		
Retirements, 30 years' service (7)-----	10,851.00		
Retirements for disability (7)-----	6,241.32		
Longevity increase-----	7,557.98		
			34,220.90
Total-----			399,360.90

Number to be retired during first year under the coast guard.

LIFE-SAVING SERVICE.

Grade.	Number 64 years and over.	Number served 30 years and over.	Retired pay per annum.	Total cost first year.
Superintendents.....	4		\$2,310	\$9,240
Keepers.....	32	20	1,050	54,600
Keepers houses of refuge.....	1		630	630
No. 1 surfmen.....	7	7	735	10,290
Other surfmen.....	33	15	560	26,880
Total.....	77	42		101,640

REVENUE-CUTTER SERVICE.

Grade.	Number 64 years and over.	Number served 30 years and over.	Number now disabled.	Total cost first year.
Commissioned officers.....		2		\$6,000.00
Warrant officers.....	5	5	6	17,023.32
Enlisted men.....	5		1	3,639.60
Total.....	10	7	7	26,662.92

Total, Life-Saving Service----- 119
Total, Revenue-Cutter Service----- 24

MEMORANDUM IN REGARD TO COAST GUARD BILL.

THIRTY-YEAR RETIREMENT CLAUSE.

"One of the provisions of the pending bill is that—

"A commissioned officer, warrant officer, or enlisted man who has served 30 years may, upon suitable application, be placed on waiting orders and receive 75 per cent of the pay of his grade or rating.

"Existing law provides this 30-year retiring feature for all military branches of the Government service. It should also apply to the coast guard, which also is to be a military branch of the public service.

"The reason for its enactment for the Army, Navy, and Marine Corps was to retire certain members of the personnel of those arms of the public defense who before reaching the statutory age for retirement, and through no fault of their own, and because of the nature of their duties, do not possess the physical vigor so necessary for the efficient performance of their duties in the supreme moment of war, when success in battle oftentimes depends upon the highest state of mental and physical ability of every unit in the personnel of the Nation's defenders.

"While this reasoning will apply to all members of the coast guard in times of war, it applies with much greater force in times of peace, when 'supreme moments' of physical and mental endurance are likely to be met with at any time in the performance of the day's work of these guardians of life and property.

"After 30 years of service in the coast guard, with its frequent calls for maximum efforts in the most strenuous duties known to mankind, it must follow that some few of its personnel will, because of that service, lose that state of mental and physical alertness and agility which will unfit them for maximum efficiency in the active performance of their duties.

"It must be borne in mind that the 30-year retirement herein proposed is not a question of voluntary withdrawing from the service, as it will be entirely discretionary with the department, and naturally will only be resorted to when it is necessary to maintain the efficiency of the coast guard, without discharging its members because the service they have rendered has caused their physical deterioration.

"Furthermore, this bill provides that officers and men thus retired may be retained in service for the performance of such duties of a less active character as they may be physically able to perform.

REASONS FOR GRANTING TWO YEARS' PAY TO WIDOWS OR DEPENDENTS OF COAST GUARDSMEN WHO DIE IN SERVICE.

"Congress has made no provision for a pension to widows or dependents of the officers and enlisted men in the coast guard.

Provision is now made for the application of the pension laws to widows and dependents of the officers and men of both the Army and Navy who die from disease or injury incident to service.

"In addition to this pension, provision is now made to pay to the widow or other dependent of officers and men of the Army and Navy a sum of money equal to six months' full pay of the deceased.

"It is more economical for the Government to provide for the dependents of the coast guardsman in the manner presented in the pending bill than the gratuity and pension system combined, as now exists for the Army and Navy.

"Thus, to quote a finite instance, suppose a surfman getting a salary of \$60 per month should be drowned. Under the system proposed in this bill his widow would be paid the sum of \$1,440 and all the Government's obligations would be discharged at once. Under the Army and Navy system she would be given the sum of \$360 in cash and placed on the pension roll at \$12 a month, or \$144 per year. The difference between the cash payments under the two systems is \$1,080. A payment of pension at the above rate would amount to \$1,008 in seven years. All records will show that the average length of time widows draw pensions from the Government after the decease of their husbands is greatly in excess of that period.

VALUE OF THE LIFE-SAVING SERVICE AS A NAVAL AUXILIARY IN WAR.

"During the Spanish-American War Congress found it necessary to pass a special act (reported by Congressman MANN, of Illinois) on June 7, 1898, to keep the life-saving stations upon the Atlantic and Gulf coasts open throughout the months of June and July for the purpose of forming a part of the Coast Signal Service. This was done at the request of the Secretary of the Navy and with the approval of the Secretary of the Treasury.

"The entire resources of the Life-Saving Service on the Atlantic and Gulf coasts, including 1,443 men, were at once transferred to the Coast Signal Service, under the direct supervision of Capt. John R. Bartlett, United States Navy.

"That officer, in making his official report to the Navy Department at the close of the war, made the following statements concerning the value of the Life-Saving Service as a military adjunct:

"The necessity of covering the long stretch of coast between these isolated stations was at once apparent, and the value of the Life-Saving Service became self-evident. These crews constantly patrol the beaches from Maine to Texas, and no vessel can approach within sight of the coast and escape their attention.

"The result of my experience leads me to believe that the Coast Signal Service should be an integral part of a naval coast-defense system, as it is most intimately connected with it, and should be in closer relation than that of an allied branch. * * *

"Another valuable result of the experiment has been to demonstrate the great usefulness of the life-saving stations for the purposes of observation and international code signaling. * * *

"In concluding his report he made a number of finite recommendations to the Secretary of the Navy, the first one of which follows:

"That each life-saving station should be made a coast signal station, for the reason that they are all connected with each other by telephone, and their system of the patrol of the beach places almost the entire coast line under constant observation. Moreover, the men in this service are trained to see everything that floats within the range of vision, are trustworthy and well disciplined, and are already excellent signalmen with the international code.

THE COAST GUARD AND NATIONAL DEFENSE.

"While the question of national defense now more than ever before is brought into prominence, it is well to consider the advantages of the coast guard from a strictly military standpoint.

"The added efficiency which will be given to the Life-Saving Service under the terms of this bill will make available in the coast guard, for immediate service in connection with the defense of our seacoasts a corps of approximately 4,100 trained officers and men, all in the best physical condition and all accustomed to life on the seas. The very nature of their emergent duties in peace times will make them quick of action, resourceful, and disciplined, all of which, it must be admitted, are absolutely essential to success in modern sea fighting.

"Aside from the fact that the coast guard will be worth more to the country by its saving of the lives and property of its citizens than it actually costs, its value as a part of any scheme for the national defense can not be overestimated. Simply by a stroke of the pen the President can transfer this highly efficient corps of men, armed, trained, and disciplined, into the regular Naval Establishment at any time, whether in peace or in war. In strictly warlike pursuits it can not be denied that they will be the equal of any similar number of men in the regular Naval Establishment. This asset of military preparedness must therefore not be overlooked when appraising the value of the coast guard to the Government.

CASUALTIES IN THE LIFE-SAVING SERVICE.

"Since the organization of the Life-Saving Service up to January 1, 1914, there have been 320 deaths directly incident to the exposure and hazards of duty along the coasts. In the past decade there has been an average of 11.7 deaths each year. The causes of these losses are principally drowning and pulmonary diseases incident to exposure in the lifeboats or from patrolling the beaches in severe weather. There have been three deaths due to lightning striking the surfmen while out on patrol on desolate beaches, they being the only objects in the vicinity projecting above the level of the beach.

"The average given is not representative of the actual losses of life incident to exposure, as the men in the Life-Saving Service are enlisted every year, and at each reenlistment they are examined and must be found physically sound or else they are rejected. Hence there are many instances where surfmen have contracted diseases on account of exposure while in the service, have been rejected when applying for reenlistment, and have died subsequently. Such cases have not, of course, been included in the list of deaths.

"By far the most regrettable procedure incident to the existing conditions in the Life-Saving Service is the fact that during the past 10 years it has been found necessary to discharge an average of 29 of the enlisted men of the service before the expiration of their term of enlistment on account of physical disability incurred in line of duty.

"It is on account of such severe conditions as the above that it is impossible to obtain and keep efficient men to man the various stations.

COMPARISON OF THE UNITED STATES LIFE-SAVING SERVICE WITH THE COAST GUARD AND ROYAL NATIONAL LIFEBOAT INSTITUTION OF GREAT BRITAIN.

"In Great Britain there is a coast guard maintained by the Government. On June 30, 1913, there were, in addition to the coast guard but connected with it, 399 life-saving companies, numbering in all 4,529 volunteers and 5 brigades, with a total membership of 346. The coast guard and these companies all engage in life-saving operations, not in boats, but with the rocket and breeches-buoy apparatus.

"In addition to the coast guard there is the Royal National Lifeboat Institution of Great Britain. This is purely a volunteer organization authorized to accept donations from the public. All throughout Great Britain, in railroad stations and other public places, will be found miniature metal lifeboats, each with a sign thereon soliciting subscriptions for the life-savers, which gives the institution somewhat of an eleemosynary character.

"As to the relative value of the paid Life-Saving Service of the United States and the volunteer organizations of Great Britain, the following results for the year 1913 will bear evidence:

Description.	Number of stations.	Number of persons rescued.	Number of persons rescued per station.
Royal National Life-Boat Institution of Great Britain.....	273	574
Coast guard.....	399	250
Total.....	672	824	1.33
United States Life-Saving Service.....	285	4,202	14.78

"From 1874 to 1880 the United States tried to carry on its Life-Saving Service on the volunteer system, giving each man \$10 for his services on each occasion when they were required. The results were so unsatisfactory that in 1880 Congress found it necessary to authorize the employment of regular crews.

"The late Admiral Ward, of the British Navy, one-time chief lifeboat inspector of Great Britain, once made the following statements after investigating the United States Life-Saving Service:

"The Lifeboat Service in the United States has an advantage over our own, in that the men being permanently employed during the open seasons are accustomed to act together, and are more frequently afloat, both for practice and on service, than at the greater number of our own lifeboat stations, where the boats are manned by volunteers from the local boatmen, and are only employed on the occasions when their services are required.

"It should also be mentioned that at the life-saving stations (in the United States) bedding and clothing for shipwrecked persons are kept in readiness in case of being required, and also medicine chests, restoratives, and all necessary appliances for restoration of the apparently drowned, exhausted, or frostbitten amongst wrecked persons, whence it will be apparent this invaluable public service fulfills the functions undertaken severally in this country (Great Britain) by the board of trade, the National Lifeboat Institution, and the shipwrecked mariner's and humane societies, and apparently in the most efficient manner.

"The report of the International Life-Saving Congress, held at Toulon, France, in 1890, after reviewing the methods and equip-

ment of the several life-saving institutions in existence, pronounced that of the United States the best and most complete.

"In conclusion, it is very apparent that a volunteer service in this country is wholly impracticable. In Great Britain, with its comparatively dense population along the coasts, it is comparatively easy to summon a volunteer crew to go to wrecks on almost any part of its coast line. In the United States, however, the most dangerous parts of its coast are usually at very remote places, far from human habitation of any kind, so that it would be absolutely impossible to get volunteers for this humane work of rescue.

SERVICE OF THE LIFE-SAVERS ON INTERIOR WATERS.

"The benefits of the coast guard will not be confined to the coasts of the Atlantic, Pacific, Gulf, and Great Lakes.

"At all times when practicable the life-savers have been sent to interior waters whenever great floods have worked havoc with lives and property along the banks of our great rivers. Within only the past 18 months two notable examples of these beneficial effects have arisen.

"The great floods which inundated the Ohio Valley during the months of March and April, 1913, are fresh in the memories of all. The whole country was horror-stricken at the appalling results of the raging waters in portions of West Virginia, Kentucky, Illinois, Missouri, and Tennessee. The calls for help did not go unheeded by the United States Life-Saving Service. Seven crews were immediately dispatched to the scenes of distress, and other crews were held in readiness for immediate response in case the conditions grew worse.

"In spite of almost insurmountable difficulties of transportation the crews arrived at the localities where their services were most badly needed, and immediate steps were taken to relieve suffering humanity. People were taken from housetops to places of safety, food and clothing were distributed to those in need, and in every conceivable way within the limit of their resources assistance was rendered to the stricken people. One of the many notable incidents was the rescuing of all the occupants of an orphan asylum at Fort Wayne, Ind., under most trying circumstances without a single mishap.

"The net result of the efforts of the seven life-saving crews during this particular flood was the rescuing and succoring of 3,509 persons and the saving of property valued at \$30,000, which otherwise would have been lost.

FLOODS IN TEXAS.

"In the early part of December, 1913, the overflowing of the Brazos and Colorado Rivers in the south central part of Texas almost entirely inundated several counties. At once three life-saving crews and the revenue-cutter *Windom* were sent to the flooded districts. Many of the unfortunate inhabitants were in a starving condition and in danger of being drowned. After many hazardous experiences quantities of food and clothing were distributed to the beleaguered people, and many of them were rescued and taken to places of safety. In all, 803 persons were either saved from drowning or given succor.

"Many commendatory letters from prominent citizens and relief committees were received, testifying to the very valuable assistance rendered by these coast life-savers. The Galveston central relief committee, through its chairman, wrote the Secretary of the Treasury that 'their work was performed under the greatest difficulties and, we are very glad, indeed, to add, cheerfully and willingly.'

EQUIPMENT AND RESULTS.

"As at present constituted, the combined Revenue-Cutter and Life-Saving Services, when merged into the coast guard, will embrace the following:

Number of ships:	
Seagoing.....	25
Harbor tugs and launches.....	19
Total.....	44
Number of coast guard stations.....	279
Total authorized personnel, including commissioned officers, warrant officers, and enlisted men.....	4,093

RESULTS.

"As indicative of the work which will be performed by the coast guard, the following results of the operations of the two services when acting independently during the fiscal year ending June 30, 1914, may be taken to show the great importance of the proposed coast guard to the public:

Number of persons actually rescued from peril.....	5,238
Number of vessels to which assistance was rendered.....	2,147
Number of persons on board vessels assisted.....	10,983
Derelicts or obstructions to navigation destroyed or removed.....	31
Value of vessels assisted, including cargoes.....	\$24,386,191
Cost of maintenance and operation for year 1914.....	4,781,949

"It will thus be seen that for the expenditure of each dollar for the coast guard there can be expected a conservation of not

less than \$5.00 worth of property of the public from the perils of the sea.

"With the added efficiency which will undoubtedly follow the passage of this act, even greater returns than this can reasonably be expected, and this without taking into consideration the humanitarian feature of the thousands of lives saved every year."

Mr. ADAMSON. Mr. Chairman, I yield five minutes to the gentleman from North Carolina [Mr. SMALL].

Mr. SMALL. Mr. Chairman, there are two humane activities of the Government which are conspicuous in their lines of duty. One is the Life-Saving Service, the other the Revenue-Cutter Service. The Life-Saving Service, as authorized by law, saves life and property from the land side, while the Revenue-Cutter Service is devoted to the saving of life and property upon the seas. The purpose of this bill is to unite these two activities or organizations, both of which are under the Treasury Department, into one organization to be known as the coast guard. There are at least two reasons which I might name which not only justifies but emphasizes the necessity of the coordination and organization of these two services into one. In the first place it is proper because their duties are consistent. The Revenue-Cutter Service was organized in 1790, and was the first legally organized arm of defense of the Federal Government. The Life-Saving Service grew out of the Revenue-Cutter Service, as I remember, in 1878, and in the early years of its existence was administered through and as a part of the Revenue-Cutter Service. Afterwards for reasons of efficiency, which seemed then to be proper, the Life-Saving Service became a separate organization. From a volunteer service it became a service with various stations along the Gulf, the Atlantic, the Pacific coast, and the Lakes, with men employed for the manning and the rendering of service at those stations.

From time to time the personnel of the service has been improved, and the number of months each year in which the life-saving stations have rendered active duty have been increased until to-day the Life-Saving Service is recognized all over the United States, is recognized all over the world, as the most efficient organization for the saving of life and property from stress and storm at sea of any civilized country in the world.

There is one more potent reason, Mr. Chairman, why these two services should be united into one. Since my service in this House in 1908 there have been to my knowledge at every session insistent efforts upon the part of the membership of this House to enact some legislation which should provide a retirement fund adequate in cases of disability incurred in line of duty in the Life-Saving Service. It has been universally recognized that so far as casualties and dangers to life and limb are concerned it is the most dangerous of all the activities of the Government, and in that I include for a series of years even the men enlisted in the Army and the Navy. In times of peace the dangers to the men in the Life-Saving Service are infinitely greater than to the men in the Army and the Navy, because during their months of active duty there is not a season which passes when these men, exposed to the elements and the storms, to all the conditions which try men's souls, to all the conditions which affect life and limb, are not exposed to greater dangers than any men in the service of the Federal Government.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMSON. Mr. Chairman, I yield three minutes more to the gentleman.

Mr. SMALL. But in spite of the efforts of a reasonable proportion of the membership of this House to enact some law which would make adequate provision for these men, exposed as they are, they have been met with the objection that they were in the civil service of the Government; that up to this time Congress had provided no form of retirement or pension for any except those enlisted in the Army and in the Navy, and that if we should make an exception in favor of the Life-Saving Service, no matter how meritorious the conditions or the reasons might be, it would open the doors, and we would have an avalanche of other bills to include other branches of the civil service within such provisions of law.

This bill, Mr. Chairman, avoids any such objection. In it are distinct provisions by which in time of war the men in the Life-Saving Service are temporarily transferred to the Navy and are put under the jurisdiction of the Secretary of the Navy. They are subject to the same service and to as great dangers and casualties as are the men in the Army and Navy. Therefore, being on a parity with the men in these two branches of the service, in the Army and the Navy, the objections which have been heretofore urged have been eliminated, and no Member of the House need fear to support this bill because it will open the doors to pensions or retirement fund to any other organization or branch of the Federal service.

As the gentleman from Minnesota [Mr. MILLER] well said, the men in this service from every standpoint are entitled to the generous consideration and care of the Federal Government. Why, in every city of respectable size which maintains a fire department provision has been made for retirement for the men who have become disabled or who have served for a sufficient length of time in that service. On the great railroads of the country a form of pension has been provided for the employees. Yet in this service, distinguished for heroism and devotion to duty, this great and generous Government has made no provision for the life-savers in their disability and old age. We now have the opportunity to do so. [Applause.]

Mr. ADAMSON. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. RAKER, Chairman of the Committee of the Whole House on the state of the Union, reported that the committee had had under consideration the bill (S. 2337) to create the coast guard by combining therein the existing Life-Saving Service and Revenue-Cutter Service, and had come to no resolution thereon.

Mr. ADAMSON. Mr. Speaker, I wish to see if we can arrive at some arrangement about time for general debate. Have the gentlemen on the other side anything to suggest?

Mr. STEVENS of Minnesota. I have had quite a number of applications since the House met. Half a dozen gentlemen have requested time, and I should think it would require about an hour. And the gentleman from Illinois [Mr. MANN] states that he desires an hour.

Mr. ADAMSON. I suggest to the gentleman that we make an agreement to limit the time, with the understanding that the gentleman from Illinois [Mr. MANN] may have his hour any time he chooses under the five-minute rule.

Mr. MANN. I do not want it under the five-minute rule. I want to discuss the bill. Nobody has referred to the bill yet.

Mr. STEVENS of Minnesota. I shall be obliged to ask for an hour on account of the requests that have been made to me, in addition to the time requested by the gentleman from Illinois [Mr. MANN].

The SPEAKER. What has the gentleman from Georgia [Mr. ADAMSON] to say?

Mr. ADAMSON. Mr. Speaker, I do not desire to abridge debate unnecessarily, but this is a long bill, and will take a long time under the five-minute rule. We are perfectly disposed to be liberal under that rule. I have used 14 minutes. I am willing to allow for that, and I am willing to allow the gentleman from Illinois to have his hour if I can agree with the gentleman from Minnesota [Mr. STEVENS] as to additional time.

Mr. STEVENS of Minnesota. I have received requests which will require very nearly an hour, so that I would rather insist, Mr. Speaker, that an hour be allowed in addition to the time of the gentleman from Illinois [Mr. MANN].

Mr. ADAMSON. If I remit any further yielding on this side, and be satisfied with the 14 minutes, would not the gentleman be satisfied with less than an hour?

Mr. STEVENS of Minnesota. Of course, the gentleman knows that I am anxious to accommodate him and expedite the consideration of the bill; but these requests have been made to me, and I do not feel like neglecting them, and I do not think it will assist the passage of the bill any to do so.

Mr. ADAMSON. Mr. Speaker, I am perfectly willing; and I will ask unanimous consent that general debate close in two hours, one hour on a side, counting the 14 minutes I have already used and which are chargeable to me, the other hour to be controlled by the gentleman from Minnesota [Mr. STEVENS].

Mr. STEVENS of Minnesota. Mr. Speaker, do I understand an hour will be allotted to the gentleman from Illinois [Mr. MANN] and an hour shall be controlled by myself?

Mr. ADAMSON. I think we ought to confine the general debate to two hours entirely.

The SPEAKER. The gentleman from Georgia [Mr. ADAMSON] asks unanimous consent that general debate be limited to two hours, one hour to be controlled by himself, charging up the 14 minutes he has already used, and the other hour to be controlled by the gentleman from Minnesota [Mr. STEVENS]. Is there objection?

Mr. STEVENS of Minnesota. Mr. Speaker, I must object, under the circumstances.

Mr. ADAMSON. Mr. Speaker, I move that general debate close at the end of two hours.

Mr. MANN. I make the point of order that there is no quorum present. The gentleman will not make any time by this, I can assure him.

Mr. UNDERWOOD. Mr. Speaker, we have got to the point where it is necessary to expedite legislation. The President of the United States has written me a letter—

Mr. MANN. Mr. Speaker, I made a point of order that there is no quorum present.

Mr. UNDERWOOD. I was trying to submit—

Mr. MANN. No; the gentleman was making a speech. He was not trying to submit anything.

Mr. ADAMSON. I hope the gentleman will withhold his point of order.

Mr. MANN. I am willing to withhold it; but not for a speech.

Mr. UNDERWOOD. Mr. Speaker, the gentleman from Illinois makes a good many statements that are out of order, which we are perfectly willing to listen to, in order to expedite business. My purpose was to try to reach an agreement for the expedition of business. If the gentleman does not want to hear my statement we can go along and transact business anyhow.

Mr. MANN. I do not care whether I hear it or not. If the gentleman wants to discuss the bill and tries to prevent me from discussing the bill, I am not willing that he should.

Mr. UNDERWOOD. I do not want to discuss the bill.

The SPEAKER. Does the gentleman from Illinois withdraw his point of order?

Mr. MANN. I withhold it for a moment.

Mr. UNDERWOOD. Mr. Speaker, the purpose of my statement was to try to indicate to the House why it is necessary to act upon this bill speedily. I think it is perfectly proper to have reasonable debate, and I have no objection to having reasonable debate; but we can not take up this bill and dispose of it and at the same time dispose of the public business that is on the Wednesday Calendar before the end of the session unless we intend to do business. If the gentlemen on that side of the House are willing to take one hour and a half and divide it up among themselves, I think we can reach an agreement inasmuch as the gentleman on this side has indicated that he wants only 45 minutes more. I think that is reasonable.

Mr. ADAMSON. I shall be satisfied with 30 minutes if the gentleman from Illinois and the gentleman from Minnesota can get along with an hour and a half between them.

Mr. MANN. I will not be satisfied with less than an hour's time. Of course, the gentlemen have the power to prevent my getting any time. That is their liberty.

Mr. STEVENS of Minnesota. Mr. Speaker, the requests made of me will call for more than 30 minutes; but it is possible, by eliminating anything I might want to say myself on the bill, to get along with 40 minutes.

Mr. ADAMSON. I think I shall be able to give the gentleman from Minnesota 10 minutes.

Mr. STEVENS of Minnesota. I will consent if I can get 40 minutes.

Mr. MANN. Does the gentleman from Georgia think of the time that we wasted on the printing bill and the codification bill? I could see no anxiety on that side of the House to hurry through at that time. Now, when we have a real bill before us, does the gentleman think we ought not to have any debate on it?

Mr. ADAMSON. Mr. Speaker, the reason I assume this position on general debate is that gentlemen do not stay here to listen to long general debate, but they will stay here for debate under the five-minute rule; and it is made effective, and it is listened to by the Members present. I think we can reach a conclusion.

The SPEAKER. What is the gentleman's request?

Mr. ADAMSON. My request is that the gentlemen on the other side have an hour and a half and that I may have 30 minutes, and I will give the gentleman from Minnesota [Mr. STEVENS] 10 minutes.

The SPEAKER. The gentleman from Georgia asks unanimous consent that the general debate on this bill be limited to two hours—one hour and a half to be controlled by the gentleman from Minnesota and 30 minutes to be controlled by himself, with the further agreement that he will yield 10 minutes of his time to the gentleman from Minnesota. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Illinois withdraws his point of order, and the House resolves itself into Committee of the Whole House on the state of the Union for the further consideration of the bill S. 2337, with the gentleman from California [Mr. RAKER] in the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (S. 2337) to create the coast guard by combining therein the existing Life-Saving Service and Revenue-Cutter Service, with Mr. RAKER in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of Senate bill 2337.

Mr. ADAMSON rose.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. ADAMSON. Mr. Chairman, I have only 30 minutes and I have used 14, and I ask that the gentleman on the other side use some time.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield five minutes to the gentleman from Washington [Mr. BRYAN].

The CHAIRMAN. The gentleman from Washington [Mr. BRYAN] is recognized for five minutes.

Mr. BRYAN. Mr. Chairman, I would be the last man on this floor to put any blocks in the way of the Life-Saving Service. We are too deeply interested out in my country, on Puget Sound, and at the entrance of the Straits of San Juan de Fuca and on all that coast line of Washington and Alaska and on to the south in the Life-Saving Service for me to object to anything that has the good of that service in view or anything that involves the good of that service. But I want, in the five minutes that has been allotted to me, to call attention to the rather awkward way in which we go about legislating for the saving of life.

We arrange the laws so that the ships can go out from the straits into the ocean and go down and sink everybody on board except those that are saved by these heroic defenders and preservers of human life in the Life-Saving Service, but we relieve the ship from every form of liability, financial or otherwise, to the dependents of those whom they have destroyed. If there is any realm in which injustice prevails in our law, if there is any branch of our enactments that carries the grossest form of inhumanity, it is the laws that we have safeguarding against loss of life on the sea by requiring shipowners to see to it that wrecks do not occur. We even provide that a shipowner can insure his vessel and insure his cargo and pocket the money, and unless the owner himself is privy to the worst kind of negligence on the part of the captain and the master of the vessel no liability whatever maintains.

We did not limit that alone to the ocean. They said that it was for the sake of our merchant marine that we did it, but we extended it to our rivers and bays and lakes; and the other day, when we had up a matter that somewhat indirectly involved this question, this House passed an amendment to a bill which provides for relief not under American laws but we passed an amendment that permitted American men who are wrecked on an English vessel, for instance, the real boon of resorting to the English liability laws to save themselves. That was a good amendment. Why should an English vessel pay American passengers less for injuries than it pays English passengers.

If that law is enacted over in the Senate and is really put on the books, the result will be that if an American citizen wants to go abroad and wants the protection of law for his dependents in case he goes down, he had better take an English vessel, because there is protection there. His children will have some means of recovering if his life is lost. But on an American vessel and in our coastwise shipping he has no such protection as exists, for instance, under English law. That is what promotes wrecks. That is what causes trouble for our Life-Saving Service. That is what makes it necessary for them more often than otherwise to go out into the perils of the deep in dangerous weather, because shipowners have no inducement to make their ships safe.

If they go too fast and run into one another and one of the vessels goes down, they escape, because their ships are insured, and they tell the claimants to go out there in the ocean and get the ship. She is at the bottom, and all they are liable for is the value of the ship and fares at the destination of the trip, and the end of the trip is in the bottom of the sea. They tell the claimants to go and take the "trimmings," what is left of the wreckage. That is not square; that is not honest; that is not the right way to handle a problem of this kind. Yet Congress has enacted the law; Uncle Sam stands for it. It is not the right procedure; and while it is all right for us to encourage men to assume these risks in going to save the lives of those who are wrecked, I think the better and more honorable way and the more American way would be to begin at the other end and require the ships to be safe, and require some kind of liability on the part of those who own ships, those who make the money out of ships. It is to me an astounding proposition that we have to resort to foreign laws to protect ourselves and our people. English juries made the *Titanic* owners pay up long ago to the claimants. Lucky the passenger if he was an Englishman or brought suit under English law. They had juries; they had laws. But the unfortunate who loves the

Star and Stripes is told to go out in the ocean and find the ship. "Take the whole thing, we don't want it," say the owners in America. In England they pay for their negligence. In England they have juries; in America they have no jury; and they have an unconscionable law and a trial before a judge in admiralty.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield to the gentleman from Illinois [Mr. MANN] one hour.

Mr. MANN. Mr. Chairman, I have not carefully examined the provisions of this bill during the last few days, but I did at the time it was reported and practically before that.

The Life-Saving Service is one of the great services of the Government. The Revenue-Cutter Service is one of the great services of the Government. I do not think any other nation possesses a revenue marine service which equals our Revenue-Cutter Service as now established. I do not believe that any other nation has a life-saving service equal to our Life-Saving Service as now established. There are intimate relations between the Revenue-Cutter Service and the Life-Saving Service, and have been from the start.

The officers of the Revenue-Cutter Service do certain work in connection with the Life-Saving Service in the way of training, drill, inspection, and so forth. And though I have nothing but a friendly feeling toward these great services, having become more or less familiar with them in a legislative way, at least, by long service on the Committee on Interstate and Foreign Commerce, which has legislative jurisdiction over both of the services, I realize, on the other side, that the Life-Saving Service extends clear around the coast of the United States, up the rivers to some degree, and on the Great Lakes, and that there has been a more powerful propaganda or lobby in behalf of this bill than any other bill, I think, brought before Congress since the oleomargarine bill was passed. Most of the men in the Life-Saving Service, not being very busily employed—their work being erratic; not continuous—they have had plenty of time and some opportunity not only to write directly to Members of Congress but to secure other people to write to Members of Congress, and every gentleman here probably, or nearly every one from a coast district where there is a life-saving station, will be for this bill, not because Members have studied the bill, but because of influences at home. I myself regret that I feel it my duty to say a word against the bill; because even in my small district I have two life-saving stations, and I think they have been at times friendly to me, but doubtless from now on will be on the other side, although I do not think they have any political influence one way or the other. [Laughter.] But they have great influence in this House. Not only have they reached the Members of this House, but they have gone up until they have reached the President of the United States, who, I believe, in his annual message recommended the passage of this bill, without any intimate knowledge of what it contained or what it proposed.

During my service in the House we have several times increased the compensation of the men in the Life-Saving Service. They now receive \$65 or \$70 a month, if I remember correctly. I may be mistaken. During the months that they work they receive in addition a ration of 30 cents a day. That is not high pay, but it is a great deal higher than we pay in the Army or Navy, or even in the Revenue-Cutter Service itself, and we propose in this bill to leave the pay as now fixed, and with an increase of longevity pay in many cases, and in addition provide for retired pay at three-fourths of the regular pay and allowances. If this bill becomes a law, these men in the Life-Saving Service will receive higher pay than is given in any corresponding service in this Government, and higher pay than is given in any kind of service in any other nation of the world. We do not give the Army or the Navy high pay. Many of the warrant officers in the Navy do not receive one-half the pay that a surfman—an enlisted man—will receive in the Life-Saving Service under the terms of this bill. Paying moderate salaries to the enlisted men and the noncommissioned officers of the Army and Navy, we provide for their retirement under certain conditions, first, because the service is hazardous, and, second, because the pay is small.

When you take a man into the enlisted Army and pay him \$15 or \$16, or even \$20 a month, there is some reason for giving him retired pay after 30 years' service. He does not receive much compensation while in the active service. In the Revenue-Cutter Service, where the enlisted men do not receive more than \$30 or \$40 a month, even if they receive that much, there is some reason for placing them on a retired-pay list at the end of 30 years' service. But the same reasons do not apply to the men who receive high pay as compared with these services, and have a less hazardous service to perform. Now, we furnish the food and the clothing for the men in the Army and the Navy. Well, we furnish the food now for the men in the

Life-Saving Service, and this bill proposes to furnish their clothing in addition. How can we justify taking a civil service, like the Life-Saving Service, hazardous though it may be, and putting the men in the retired-pay class as against the Army and Navy, where we pay only moderate compensation to begin with during the service. I personally have always been in favor and am now in favor of telling the life-saving men, "When you start out in a boat on the water to save life you can go with the assurance that if you are injured the Government will take care of you during your life; and if you lose your life, the Government will grant a pension to your widow and your minor children." But there is no such proposition here. We do now grant two years' pay to the widow or dependent family of a life-saving surfman who loses his life. I would be perfectly willing to say to the man when he is injured or loses his life in the performance of a hazardous duty that the Government will protect him if he lives or his family if he dies.

But under the terms of this bill a young man goes into the Life-Saving Service at the age of, say, 20, receives a fair compensation and ration during his service, and at the end of 30 years he is retired for the balance of his life on three-quarters of his pay and allowances. That is very high retired pay. That is too high a pension to pay. It is not fair to expect the Government to pay such high compensation on a retired list.

It is true that the Secretary of the Treasury reports that this bill will cost an additional \$390,000 now. Most of the men in the Life-Saving Service now can not be retired—only some of the officers. They will receive the fogg pay, but in course of time, under the terms of this bill, instead of having young men in the service from 20 to 30 years of age, the proper age for boys to go out in the life-saving boat in a time of stress, you will have the service filled up with men 40 and 50 years of age, who will have remained in the service because they could not make as much money anywhere else as they could by staying in the service, and knowing that from 50 years of age on the Government will support them without their doing any work. That will vastly increase the additional expense of this bill by increasing, first, the amount of retired pay and, second, the amount of the fogg pay.

The Secretary of the Treasury reports that the total increase involved is \$397,700. That is where they figure it down just as fine as possible. The Life-Saving Service and the Revenue-Cutter Service now cost the Government in the neighborhood of \$5,000,000 a year. That is the most expensive service of the kind by any Government of the world. This bill will increase the cost of the service in the course of a few years' time by at least a million dollars, in my judgment. Probably it will increase it more than that.

Is this a very good time, I will ask my friends on the Democratic side of the House, to increase unnecessarily the expenses of the Government? When the President read his address to the House last summer in favor of the stamp-tax bill he said that he did not think that the Government ought to withdraw from the banks the \$75,000,000 in money which the Government then had in the banks. At that time the Government had in the Treasury free money to the extent of about \$125,000,000 for immediate current expenses. By the Treasury report which reached us yesterday morning this free fund in the Treasury is reduced to less than \$60,000,000. That is a decrease from the time the President addressed this body last September—if that was the date—of \$65,000,000.

Now, you can not economize, each time when the question is presented, by appropriating more money than you did before. The only way to economize is when you have the question before you. Will you increase or decrease the expenditures of the Government? These things come in items and not in hundreds of millions of dollars at a time; and if we keep on, if we pass all the bills which this great Committee on Interstate and Foreign Commerce, with its great and distinguished chairman, Judge ADAMSON, now has on the calendar, we will increase the deficit next summer by at least a number of million dollars more than would be the case if we did not pass the bills. I believe the Government ought to be conducted with a reasonable degree of economy. I know very well that wherever there is a large class of public officials drawing pay from the Government they consider it their duty, first, to perform their public duty—I think they place that first—and, second, to get any increase that they can for themselves out of the Government. They consider it their duty first to protect the public interests as involved in their respective service, and they expect us to take care of the Treasury. It is not the duty of the Life-Saving Service to protect the Treasury; that is the duty of Congress.

Of course they would like more pay. Of course they would like to go on the retired list. Why, this House, if it could never be known how any Member voted, if they could arrange

to have 10 vote against it, and no one know who the 10 were, would provide retired pay for themselves when they go out of office. But, as they can not do that, they feel that they must protect the Treasury as against themselves. The Life-Saving Service does not have to protect the Treasury; that is our duty.

Why should a man in the Life-Saving Service receive retired pay and have three-quarters pay and allowances, which will amount to at least \$50 a month? Why should he be placed on retired pay after 30 years' service, which will probably end when he is 50 years of age, for the balance of his life? We do not do it for anyone else at such a high rate.

Mr. TRIBBLE. Mr. Chairman, will the gentleman yield?

Mr. MANN. In just a moment. The man in the Army of the United States who goes on the retired pay does not get more, if he is an enlisted man, than \$20 a month, or about that. I yield now to the gentleman from Georgia.

Mr. TRIBBLE. The gentleman saw the naval service come here and demand retired pay, and then longevity pay, and get it. Does the gentleman not think that the Life-Saving Service will be here next, as the Navy was, asking for a plucking board, in order that they may retire more of them and get them on pay without being on duty?

Mr. MANN. Undoubtedly. In the course of time they will have to cut out lots of men in the Life-Saving Service who are between 40 and 50 years of age.

Mr. TRIBBLE. And they will need a plucking board.

Mr. MANN. A man who is my age—and I am over 50—may feel as though he can stand any kind of hardship, but other men know that the man who is 50 years of age is not the best suited for the temporary strenuous service which for a few hours a life-saving surfman must undergo when he is attempting to save lives from a wreck. The older men can not stand it, and in the end they will have to put them out in some way, and they will say that it is for disabilities incurred in the service, and they will retire them at three-quarters pay when they are 35, 40, or 45 years of age.

Mr. GORDON. Mr. Chairman, will the gentleman yield for a question?

Mr. MANN. I yield.

Mr. GORDON. I would like to ask, for information, whether or not the gentleman does not believe that the Life-Saving Service is very much more hazardous than either the Army or the Navy service? I refer, of course, to the regular service.

Mr. MANN. I should say not.

Mr. GORDON. I would like to ask further whether or not the gentleman is advised that there has been great difficulty in securing proper kind of men and keeping them in the service because of the low pay? I have been so informed by the superintendent of the service. He states that that is the fact, that it is difficult to get competent men and keep them after they get them because of the low pay.

Mr. MANN. That statement is made by the superintendent of the service and those connected with the service. Let us analyze that for a moment. The life-saving man does not serve the year around. On the Great Lakes they serve eight months of the year and along the Atlantic and the Gulf coast they serve 10 months a year.

Mr. THACHER. And on the Pacific coast they serve by the year.

Mr. MANN. That does not disagree with my statement.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield?

Mr. MANN. I would like first to finish this statement. Of course, many of these men during these months go into some other occupation. Many of them do not return. The difficulty with getting men in the Life-Saving Service is one wholly owing to the fact that they are admitted through the Civil Service Commission. I am an advocate of what its proponents call the merit system, the appointment of public officials through the Civil Service Commission, but how many boys along the coast are going to take the trouble to take a civil-service examination for an appointment in the Life-Saving Service, which may never come to them, where their examination papers, as a rule, will not be examined for three or six months after they take the examination, and the appointment may not come to them for nine months or a year after their papers have been marked up?

If they would remove the Life-Saving Service from the civil-service examination and permit the superintendent or the keepers to pick up the young men who would like to go into the service at the salary which is paid them, they could fill the service ten times over without any difficulty. How many men do you think you could get into the Army through the Civil Service Commission? How many men do you think you could get into the Revenue-Cutter Service through the Civil Service Commission? How many enlisted men do you think you would get into the Navy if the men had to make ap-

plication and take a civil-service examination for an appointment the year after next? How do they get them in all these services? They get somebody who wants to go in at the moment, not some one who wants to go in in a year or 15 months' time. That is a matter that the President of the United States can correct by Executive order in five minutes' time, but as yet no President has had the nerve or the knowledge, I do not know which it is, to do it. That is the only way that will be remedied. This bill does not purport to remedy that, I believe, though I am not sure about that.

Mr. GOULDEN. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. GOULDEN. Mr. Chairman, I am in sympathy with this measure and hope it will become a law. I desire to ask the gentleman a question, but before doing so, I simply want to say that I heartily indorse his position with regard to the civil service, as applied to this branch of the service. Living, as I do, on the coast, I know something about it, and I know there are plenty of young men who wait six months or a year for their papers to come back from the Civil Service Commission, and who in the meantime become disgusted and go and get some other job.

Mr. MANN. They have to get another job.

Mr. GOULDEN. They have to, and the better class of young men will not take the examination. I think it is a great mistake. While I am heartily in favor of the civil service, as applied to all branches of the Government, yet I think it would be well not to apply it to this particular service. The question I was about to ask the gentleman is whether he could tell us the average age of the 4,093 people to-day in the two services, which this bill proposes to regulate?

Mr. MANN. I could not; I do not know.

Mr. GOULDEN. My colleague [Mr. TALCOTT] says it is given as about 57 years of age.

Mr. MANN. Given by whom?

Mr. GOULDEN. I will ask him to answer the question.

Mr. TALCOTT of New York. By the report of the Secretary of the Treasury.

Mr. MANN. Where is it? I know enough about the service to know that that is not correct.

Mr. TALCOTT of New York. The gentleman will find it, I think, on page 4 of the report, next to the last paragraph:

It appears from the above that the men in the Life-Saving Service will have completed 30 years' service at an average age somewhere between 57.7 and 60 years of age.

Mr. MANN. The average age for entrance into the service being 45 years? Is that what the gentleman refers to?

Mr. HOWARD. What the gentleman from New York read applies to those who have completed 30 years of service.

Mr. MANN. I do not think they have among the enlisted men in the service any number, outside of the keepers or surfmen No. 1, who have been in the service 10 years, or who are 40 years of age.

Mr. HOWARD. The question I would like to ask the gentleman is this. As a matter of fact, the gentleman stated a while ago, and I think the gentleman is correct about it—in fact, I agree with the gentleman—that it does not make any difference about the age of these men; that they can retire them for rheumatic troubles or disabilities that are incurred in or incident to the service; and the gentleman stated a while ago they will be retired long before 50 years, and anybody who knows anything about the service ought to know it.

Mr. MANN. It is a question in reference to the classified service to which I had not intended to refer. I have great respect for the civil service. They insist that they shall have control in the selection of surfmen for the Life-Saving Service. They insist that all of these services of the Government shall remain under them so far as application for appointments are concerned, and I notice the President the other day excepted some lady or somebody from the classified service, as it was stated, contrary to the opinion or the expressed desire of the Civil Service Commission. They are always insistent upon keeping the powers which they have and extending them.

Mr. GORDON. So does everybody.

Mr. MANN. And some time ago, when Congress provided for examining the efficiency of men in the departments at Washington and authorized the Civil Service Commission to make the examination for efficiency, did they go to their methods in order to get a man to do that? No; not on your life. Did they advertise an examination for a man for the head of that bureau of efficiency? Well, you can be sure they did not. Did they apply their methods, which they insist shall be applied to all Government officials in the civil service outside of the Civil Service Bureau, in the selection of their officials? Well, not on your tintype. [Laughter.] They selected a man for the bureau

without examination, without making the ordinary form of application, and without paying any attention whatever to any of the requirements for the selection of their own officials of the Government. They rule themselves to be higher than any other department of the Government. Well, doubtless they would object to letting the Government secure good life-saving surfmen in the only method by which we can secure them; but when it comes to themselves, they have got sense enough to try to select a good man whom they believe is capable, without putting him up against a high-school pupil to see which knows the most about geography or the sun.

Mr. FITZGERALD. Does the gentleman think they would not get a head of the efficiency bureau by an examination?

Mr. MANN. I think they could have gotten one better than the one they have without half an examination.

Mr. FITZGERALD. I am not talking about the individual, I am asking the gentleman if as a matter of fact there are not many positions in the Government service where it is impracticable to go to the extreme in selecting men by examination.

Mr. MANN. I was trying to show to the House that was the situation as to selecting men for the Life-Saving Service; that if they would adopt the sensible method there would be no longer any possible excuse for this pending bill, so the gentleman and I quite agree.

Mr. COOPER. Will the gentleman permit an interruption?

Mr. MANN. Certainly.

Mr. COOPER. Does the gentleman understand that the civil-service examination, if you call it that, for appointment as surfman is confined to geography and the sun, as the gentleman intimates?

Mr. MANN. I did not intimate anything of the kind.

Mr. COOPER. Well, very near it. The subjects the gentleman mentioned were geography and the sun.

Mr. MANN. I mentioned that in connection with the selection of a man in the civil-service office.

Mr. COOPER. Well, does the gentleman mean to imply that the examination for surfmen is anything like that? As I understand, it is confined, 95 per cent of it, to the physical and mental characteristics of the man; that is, to his physique, his courage, and so forth.

Mr. MANN. Well, I do not recall; but I dare say the gentleman himself has never seen one of the application blanks. I do not recall just what the examination is, although I went into that some years ago. I thought the examination at that time was somewhat grotesque; but still that is not the point I was seeking to make. It is that if a young man who wanted to go into the Life-Saving Service to-day should make an application, and his application was not marked up or examined for three or six months, and then he went on the eligible list, from which he could not be selected for a year, that a capable young man does not do that, but he would go to some other job. [Applause.]

Mr. COOPER. Mr. Chairman, will the gentleman permit an interruption?

Mr. MANN. Certainly.

Mr. COOPER. That objection would apply to any civil-service examination. The gentleman might as well say that a man would not take an examination and get his name on the eligible list for a clerkship in the Treasury Department because he might not be appointed for six or eight months, whereas the fact is that many a man is very glad to get on the eligible list and wait an indefinite time for an appointment in the Government service, knowing that while waiting he is free at any time to accept employment elsewhere and leave the Government position for some other person on the list.

Mr. MANN. That is the gentleman's opinion. I do not think the two cases are at all similar. Here is a life-saving station on the Virginia coast and a number of young men are living there and growing up, familiar with the water, accustomed to swimming, and familiar with that particular water. Here is a Government office. There is a vacancy, and the head keeper says to some young fellow, "Come in here and we will take you on," and he will go; but now, with no vacancy, they will say to a young fellow, "You make an application and 12 or 15 months from now we may possibly be able to appoint you. But God only knows when." He does not make his application. That is the difficulty, if he is bright minded at all. That does not apply to the clerical work in Washington. I will ask my friend from Wisconsin how many men he thinks we would get enlisted in the Army if we would take them in through the Civil Service Commission in the way we take other men into the other services of the Government now?

Mr. COOPER. In reply to the gentleman, I will say that I see only the very slightest resemblance or analogy between the two cases. There are comparatively very few of these life-saving stations. I have one in my city. I do not wish it so

that I can go to the keeper of the station and say that I want this man or that man to have a place on the life-saving crew, and then, when there is storm and wreck with people facing death and clamoring for help, have the man I recommended, because he was a political wirepuller for me, show himself totally unfit to be a member of such a crew.

Mr. MANN. I do not, either. I do not think that would happen.

Mr. COOPER. I do not want such crews to be under the old spoils system, because their business is to save lives, not to save politicians.

Mr. MANN. Whatever may be the comparative merits of the old spoils systems and the present merit system, the people connected with the Life-Saving Service have all repeatedly stated that under present conditions they did not and could not get as good men as they used to have. I do not know what the conditions may be, but that is what they have repeatedly stated to us in the committee.

Mr. MOORE. We do not now pay pensions to the members of the life guard, as I understand it?

Mr. MANN. The men in the Revenue-Cutter Service go on the retired list. Men in the Life-Saving Service do not get a retired list; but if they are injured in the service they get two years' pay; or if they die their widows or minor children get two years' pay.

Mr. MOORE. The gentleman has spoken of the three-quarters pay that this bill provides. Would the gentleman object to a provision for pensioning those men who actually go out in boats and are injured in the service or for taking care of the widows or orphan children of those who lose their lives in the service?

Mr. MANN. I do not think that can be done in this bill. I have always been an advocate of that. I think as to a man who goes out to sea in time of storm and who knows that if he dies he will leave a wife and minor children the Government ought to support them; or if he himself breaks a leg the Government will pay him a pension.

Mr. MOORE. Does this bill meet that condition?

Mr. MANN. No.

Mr. MOORE. Can this bill be amended so that that condition could be met?

Mr. MANN. I suppose so; but I could not amend it.

Mr. THACHER. The gentleman spoke about the civil-service examination. How is it that men are willing to take the examination for rural free delivery as other carriers? How does the civil service keep them out of the service?

Mr. MANN. That is a different thing. If the gentleman can not see the difference, I can not explain it. Of course, the gentleman represents a district on the coast, and his vote is controlled in advance.

Mr. THACHER. I am a Member of Congress of the United States.

Mr. MANN. But he is representing the life-saving stations, and I hope properly, in his district. I have great regard for the gentleman.

Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has used 25 minutes.

Mr. BARKLEY. Does the gentleman from Illinois admit that the Life-Saving Service is practically as hazardous as the Revenue-Cutter Service?

Mr. MANN. On the average it is not.

Mr. BARKLEY. But practically it is, is it not? It is almost as hazardous.

Mr. MANN. I have answered the questions according to my information. Of course, if the gentleman is seeking to say that it is not, in order to get my opinion, I am willing that he should do so.

Mr. BARKLEY. For which I am duly thankful. I want to ask the gentleman why there is any reason for discrimination between the Revenue-Cutter Service and the Life-Saving Service?

Mr. MANN. That is not hard to answer. The Revenue-Cutter Service is given a retired list, and so forth, because it was placed as an arm of war in time of war. Now, it is true that the Life-Saving Service says that it ought to be under the Secretary of Navy in time of war, and that it has been. In 1898, at the time of the Spanish War, when the Life-Saving Service closed up during July and August, the very last day or two of June, when nobody knew where the Spanish fleet was, and the people along the Atlantic coast were in tremors all the time for fear the Spanish fleet might land at Portland or New York or some other place—

Mr. MOORE. There were some reverberations of that tremor—

Mr. MANN. I am making the statement, and I hope the gentleman will not interrupt me in the middle of a sentence. At that time I brought into the House a bill, and got it passed, to keep the life-saving stations open on the Atlantic and Gulf coasts during July and August, so that the life guard might patrol the coast, so that if they saw the smoke arising from any of the Spanish Fleet they might notify their brothers and sisters along the coast in time to let them get inland. That is the only military service they ever performed. There is nothing to do, as a rule, along the coast during July and August. All they had to do then was to walk up and down in nice weather. That has nothing to do with the military service that actually was rendered by the Revenue-Cutter Service.

Mr. BARKLEY. Now, in times of peace, the only service rendered by the Revenue-Cutter Service is to rescue property and life?

Mr. MANN. That is not correct.

Mr. BARKLEY. That is practically true.

Mr. MANN. Well, the gentleman makes the statement. Do not put it in my mouth.

Mr. BARKLEY. I make the statement.

Mr. MANN. I have an intimate acquaintance with the Revenue-Cutter Service. They have a great many duties to perform, and that is only one of the incidents.

Mr. BARKLEY. Is that any reason why the Revenue-Cutter Service should be a member of the military service of the country any more than the coast guard should, and join with the Revenue-Cutter Service for the purposes of defense or such other service as they may be called upon to render?

Mr. MANN. Well, it is a part of the military service. Let me be frank with the gentleman. I was not in favor of making it a part of the military service when it was done; but it is.

Mr. BARKLEY. If they are both part of the military service—

Mr. MANN. They are not both a part of the military service.

Mr. BARKLEY. I understood the gentleman to say that they were.

Mr. MANN. I am sure the gentleman did not hear me say that.

Mr. BARKLEY. The gentleman said they were during the Spanish-American War.

Mr. MANN. They were during the Spanish-American War.

Mr. BARKLEY. Of course, one belongs to the Navy and the other belongs to the military, but they are both—

Mr. MANN. The Life-Saving Service has never belonged to the Navy. It has nothing to do with the Navy.

Mr. BARKLEY. Under the bill as now proposed, if it is converted into a coast guard, it will become a part of the armed forces of the United States.

Mr. MANN. Yes; under the bill it would be. The gentleman said it had been. That is another proposition.

Mr. BARKLEY. If the Revenue-Cutter Service during times of peace—whether it be mainly so or not, very largely its duties are the saving of property at a distance from the coast at sea, going to the rescue of people in distress, and things of that kind—and if the Life-Saving Service is maintained for the purpose of saving life and property close to shore, what is the objection to combining both these services under one head so as to bring about more efficient service in one department?

Mr. MANN. They are both under one head now. They are both under the same control. They are both under the Secretary of the Treasury.

Mr. BARKLEY. Practically they are, but technically they are not.

Mr. MANN. Technically they are. They are both under the Secretary of the Treasury, and this bill provides for two division chiefs. That is all they have now. They are both under the Secretary of the Treasury.

Mr. BARKLEY. But the two services are to be coordinated more than they are under the present system.

Mr. MANN. I doubt that. They would still be the Life-Saving Service and the Revenue-Cutter Service, one having a Chief of the Life-Saving Service and the other a Chief of the Revenue-Cutter Service. There is no corelation between them in the work they have to do, and there will not be any more than now exists.

As I said, I was opposed to the bill placing the Revenue-Cutter Service with the military branch of the Government, with retired pay, and I said then—and I do not give myself the credit of being a prophet for saying it, because it was too plain—that the next step would be to put the Life-Saving Service in as a part of the military service, with retired pay, and the next step would be to put the Lighthouse Service on the same basis with retired pay. I do not know what the next

step will be, but it would be some service which was claimed to be hazardous.

Now, one of the most hazardous branches of the service is the Railway Mail Service. More men lose their lives in the Railway Mail Service than in connection with the Life-Saving Service. There are more injuries in the Railway Mail Service than in the Life-Saving Service. We thought we were quite liberal when, last year or the year before, we provided for two years' pay on account of loss of life of a man in the Railway Mail Service or injury in the Railway Mail Service incapacitating the person.

Yet you say this service is hazardous. Let us be perfectly frank about it. If you know anything about the Life-Saving Service, you will know that the average crew in the Life-Saving Service does not go out to perform hazardous service twice a year. Of course the time may come when it is extremely hazardous for them to go out. That is the case with all military service. But ordinarily their time is occupied in drilling and training.

Mr. TALCOTT of New York. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes; I yield to the gentleman.

Mr. TALCOTT of New York. Is it not true that the life is hazardous in another respect, that the exposure is such that it produces pulmonary diseases and rheumatism and diseases of that kind to a very large extent?

Mr. MANN. It is not true, because it is an outdoor service. Outdoor service everywhere prevents pulmonary diseases. What is the use of saying that a man who lives outdoors is specially subject to pulmonary diseases?

Mr. TALCOTT of New York. That is the testimony adduced before the committee.

Mr. MANN. Oh, I know more about pulmonary diseases, unfortunately, than those who testified before you concerning the Life-Saving Service.

Mr. TALCOTT of New York. They spoke of the results of the service they have witnessed. They refer only to the surfmen; and in that connection I referred to the average age in the service, after 30 years of service.

Mr. MANN. Yes; but incorrectly.

Mr. TALCOTT of New York. Yes; incorrectly as to the average age in the service. I referred to the average age after 30 years in the service.

Mr. MANN. How many surfmen are there who have been there 30 years?

Mr. TALCOTT of New York. I should say very few now.

Mr. MANN. Does the gentleman know?

Mr. TALCOTT of New York. The evidence shows that only 279 are in the service who have been there 20 years. The period of service is very short.

Mr. MANN. I do not suppose there is one who has had 30 years' service, and there ought not to be one; but this bill proposed to keep them there when they are old or else retire them at three-fourths pay. What you want is young men to pull an oar and turn a boat over and do work in connection with wrecks on the high seas. This bunch of men here, all put together, would not be able to do it well, because they are too old.

Mr. Chairman, I reserve the balance of my time. How much time have I remaining?

The CHAIRMAN. The gentleman has seven minutes.

Mr. ADAMSON. Mr. Chairman, I yield to the gentleman from New Hampshire [Mr. STEVENS] eight minutes.

The CHAIRMAN. The gentleman from New Hampshire [Mr. STEVENS] is recognized for eight minutes.

Mr. STEVENS of New Hampshire. Mr. Chairman, I agree with the gentleman from Illinois that this is not a good time to increase Government expenditures. I believe this is a good time to economize. But economy means a wise expenditure of money and not merely cutting down necessary expenses or depriving any necessary part of the Government service of money enough to do its work and do it well.

I will join with the gentleman from Illinois [Mr. MANN] in cutting down unnecessary expenditures. I have voted and will vote to cut out nearly \$400,000 of money expended to scatter garden seeds over the country, two-thirds of which is probably wasted. I will vote to cut down mileage to actual traveling expenses once here and back. The cost of the garden seeds alone comes to as much as this bill involves. It is good business and good economy for the Government to pay money enough for any service to get efficient service. Anything less than that is poor economy and anything more than that is extravagance.

It is admitted by the gentleman himself and by everybody else that appeared before this committee that had this bill in its charge that it had been a difficult matter for a long time to get efficient men for the Life-Saving Service, and it had been

difficult to keep those men in the service after you have got them. To-day there is a lack of men; many stations are undermanned, and many of the men in the service are undesirable. That condition arises because the inducements and the pay given by the Government are not sufficient to attract the right men. The pay ought to be sufficient not only to attract men to that service but to keep them in it. The men who actually do the work, the surfmen, receive to-day \$65 a month, and 30 cents a day additional allowed for food, and they work only 10 months in the year on an average. So the annual income of these men whose business and duty it is to protect property and life from storm and peril at sea get an annual wage to-day of less than \$600. I know little about the Army and Navy, but it must be apparent that if men go into the Army and Navy, where the pay is less, there are many other inducements besides the pay that attract them into those branches of the service. There are no inducements except the pay and benefits they receive from the National Government to attract men into the Life-Saving Service and keep them there. The work is not attractive or pleasant. It is practically continuous service, one night a week off and the rest of the time continuously on duty.

Mr. HULINGS. What is the pay?

Mr. STEVENS of New Hampshire. A No. 1 surfman gets \$70 a month, but there is only one No. 1 surfman in a station. The rest are ordinary surfmen, and they receive \$65 a month and 30 cents—

Mr. HULINGS. How much for subsistence?

Mr. STEVENS of New Hampshire. Thirty cents a day.

Mr. HULINGS. Are they furnished with uniforms?

Mr. STEVENS of New Hampshire. I understand they have to furnish their own clothing and their own food, and pay their own expenses, for which they get an allowance of 30 cents a day.

Mr. ROGERS. In the course of the hearing, was there any indication of any kind that the present personnel of the Life-Saving Service is inefficient?

Mr. STEVENS of New Hampshire. It was the testimony of the men in charge that of late years the character of the men they are getting in the service is not as satisfactory as it used to be.

Mr. ROGERS. Character or efficiency?

Mr. STEVENS of New Hampshire. The character and efficiency of the men. It is difficult to get efficient men into that service.

Mr. PLATT. Is not that because they have to wait so long before they know whether they are going to get into the service or not? I have men who have been waiting a year.

Mr. STEVENS of New Hampshire. No; the testimony was that the reason why they do not stay in the service is because they do not get money enough. Let me say further, that while the gentleman from Illinois [Mr. MANN] seems to lay all the trouble to the civil-service rules, I understand that it was the desire of the department to get good men and keep them there that made the department demand years ago that the Life-Saving Service be put under the civil service. The men in charge did not want to be dictated to by Members of Congress and politicians as to what men they should hire. If there is any difficulty in the civil-service rules, they can be amended. But if this bill passes, this service will come under the regulations of the Navy Department, and will be filled by enlistment, and will not be under the civil service.

Mr. MANN. Will the gentleman yield?

Mr. STEVENS of New Hampshire. Yes.

Mr. MANN. Does the gentleman say that the Navy will have anything to do with this service under this bill if it passes, except in case of war? Will the Navy have anything to do with the enlistment of the men?

Mr. STEVENS of New Hampshire. I believe it will be done in the same way it is done in the Navy. I do not say the Navy will directly have anything to do with the enlistment of the men.

Mr. MANN. I do not want the gentleman to be in error about it, because the Navy has nothing to do with it.

Mr. POWERS. You say that the efficiency of the service is not as great now as it was formerly. What about the pay of the men under the old system?

Mr. STEVENS of New Hampshire. I understand the pay has been increased from time to time in recent years, until to-day it has reached the magnificent sum of about \$600 a year.

Mr. POWERS. It is more now than it was before they were put under the civil service?

Mr. STEVENS of New Hampshire. I think the pay has been increased.

Now, just a few words as to the importance of this particular service to the American people. By its importance we can judge whether it is wise to skimp the service and not pay enough to get proper men in it. During the year 1913 the Life-Saving Service rescued from peril over 4,000 men, women, and children, and it assisted from danger ships and cargoes valued at over \$6,000,000 in money. It is a peculiar service and unlike any other that I know of in the Government. It seems to me, Mr. Chairman, that it is the duty of this House and the duty of the Government not only to pay these men good pay while they work, but to protect them when they are disabled and when they have reached years when they can no longer be of service. To my mind the chief advantage in granting the increased pay which is necessary, by their retirement pay and longevity pay, is that it will tend to keep good men in the service after they get there.

Mr. ADAMSON. Will the gentleman from Minnesota [Mr. STEVENS] yield some of his time?

Mr. STEVENS of Minnesota. Yes; I yield five minutes to the gentleman from Illinois [Mr. MADDEN].

Mr. MADDEN. Mr. Chairman, I just want to tell a little experience that I had with the Life-Saving Service men during the serious floods a year ago last summer. I happened to be in Chicago at that time, and I saw the appalling number of deaths that were occurring everywhere, especially in Indiana and Ohio, and I took it upon myself to call the Chief of the Life-Saving Service of the Great Lakes over to my office by telephone, and I asked him if he would be willing to assemble all his lifeboats in that region and all the men that he could gather together and volunteer to go into the flood district to save life. He said he would not only be willing to do it, but that he would gladly do it. Then I called the commandant of the naval training station of the Great Lakes, and I asked him the same thing, and the commandant of the Naval Militia of our State. But the man at the head of the Life-Saving Service of the Great Lakes was the one man who appealed to me as worthy of the greatest consideration that could be given to men anywhere. And that applied to every man under him, because they were not only willing to work night and day but put their own lives at the service of the lives of other people who were in danger. Late one afternoon we received a telegram to the effect that an orphan asylum at Fort Wayne, Ind., was surrounded by the flood; that the water had risen as high as the second story of the building; that the local people had attempted to take a boatload of those children out of the building to a place of safety, but that the eddies and currents of the flood were so great that the boat was lost and every one of the children drowned.

At 7 o'clock that evening this man at the head of the Life-Saving Service at the Great Lakes, understanding the situation, loaded two lifeboats on a car and started over the Chicago & Pittsburgh for Fort Wayne at 7 o'clock. He reached Fort Wayne with his boats at 11 o'clock, and before 1 o'clock in the morning had all the 72 children still remaining in the building, not only out of the building but to a place of safety. [Applause.]

That was not all, he took his men everywhere throughout the flooded district. He did it on my request, without orders from headquarters. He said to me that to do what I wanted might require an expenditure of funds. I told him I would place \$15,000 for him to draw against until I could be reimbursed. The money was placed at his disposal, and I went to the Association of Commerce in Chicago and told them what the situation was. They said that the \$15,000 would be placed in a special fund and he could draw against it without vouchers of any kind. He never drew a cent against that money placed at his disposal. He worked night and day for nearly a month, and all of his men did the same thing. They were not required to do this work. It was out of their line of service, but, having accepted my invitation to do it, I proceeded to obtain a ratification of the order which I had given to these men from the proper authorities in Washington. They said they were glad I had undertaken the work.

Now, if men who are in the Life-Saving Service will do such things as I have feebly described, there is nothing on earth that the Government can do for them that it ought not to do. [Applause.]

Mr. STEVENS of Minnesota. Mr. Speaker, I yield five minutes to the gentleman from Massachusetts [Mr. GREENE].

Mr. GREENE of Massachusetts. Mr. Chairman, I have but 4 miles of Atlantic coast line in the district which I have the honor to represent. When I first came here as a Member of the House, I represented the Cape Cod district, which had a large coast line on both sides of Cape Cod and which also contained the islands of Nantucket and Marthas Vineyard; and

there were a large number of life-saving stations in the district. I recollect that on the 17th day of March, 1902, at noonday, while all was calm and peaceful in this House, there was a terrible storm on the Atlantic coast, which came up very suddenly, and the life-saving station at Mononomy Point discovered a vessel in distress. These men of the Life-Saving Service were called to their duties so suddenly that they were unable to put on the life jacket which the department requires they shall put on before they go out to perform their duties in their perilous service. These men took their lives in their hands and braved the dangers of the perilous trip for the relief of the crew of the vessel that was in distress. Although these men were accustomed to the dangers of the sea and were undaunted by the hardships and perils that awaited them, they entered the seething waters to save the lives of men unknown to them personally, but recognized by them as members of the human family who had displayed signals of distress. Heroic and self-sacrificing as is the work of the soldier as he enters the field of battle and perils his life to maintain the honor of his country, what can compare with the sacrifice and heroism of these men of the Life-Saving Service, who entered upon their dangerous undertaking, not for the purpose of destroying human lives, but these men risked their own lives for the sole purpose of saving the lives of others.

I have known of the work done by these men in that service many years before I had ever expected I should be called to render to them by any public duty the gratitude which I know my countrymen recognize is due them. With a long experience in public life and a knowledge of the sacrifices of my fellow men in the performance of their duties in the Army and the Navy, even before I came to this House, and since, I want to say that I believe there is no service anywhere that compares with the service of the men who follow the sea and brave its dangers in the Life-Saving Service. [Applause.]

With regard to the lobby that has been referred to in connection with these men in the Life-Saving Service, I desire to say that if there is a lobby—and I have no doubt men have been interested—but if there is an organized lobby I think they would have been likely to have called upon me, either at my home or in this city. No one has spoken to me regarding the pending legislation during the last 7 years. I have during the 16 years of my service in this House seen some men who have been connected with the service, who know of its dangers and of its requirements, who believe that it is essential that some provision should be made for these men in the service and for their families in case of their injury or loss of life when on duty. These men perform patrol duty at night, and it is not an agreeable duty. They have to perform a service and have to render a report when they have completed their tour of duty. They are on duty whether the storm comes to them or whether the coast is clear and the moon shines to illumine their lonely pathway. But when any surfman in the Life-Saving Service does the required duty exacted by the Government along the shores of Cape Cod, they will find that a large proportion of the time they are in the service they are upon a duty that means danger to their lives, and requires constant vigilance in the performance of the duties that the regulations of the department demand.

Allusion has been made to the widows drawing two years' pay when the men lose their lives in the service. Widows draw two years' pay in case their husbands are killed or are permanently injured in the service. I have had something to do with obtaining the money for the widows of some of these men who have been in the service, and it required a great deal more information to be filed and a great deal more of detail to be prepared to secure the money for those widows than it does to secure the money for a widow where a soldier or sailor has lost his life in the service of his country. [Applause.]

I have not examined the pending bill in all its details. The great Committee on Interstate and Foreign Commerce have given the bill patient consideration, and they have held many hearings for a long term of years.

I believe this bill should be enacted into law. When final action is taken an advanced step in humane and righteous legislation will be recognized by the people of the country regardless of their party affiliations.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield three minutes to the gentleman from West Virginia [Mr. Moss].

Mr. MOSS of West Virginia. Mr. Chairman, I think as a rule a man goes wrong in differing from the distinguished leader of the minority. He is usually right, but in this instance I feel compelled to differ from him, because I believe that to the service of life-saving the greatest consideration should be shown. I can not agree with him that these men receive to-day what they should receive, considering the risk they run—the hazard-

ous nature of their employment. It seems to me that there are four things which prevent sufficient enlistment of the right kind of men in this service: First, the delay incident to their civil-service application; second, their small pay and hazardous employment; third, the fact that they work only a part of the year and receive small pay only a part of the year, and that loafing period has a tendency to disorganize and demoralize and to destroy the steady character of those connected with the service; lastly, the fact that they know that when they reach a little beyond middle age they are to be kicked out of employment. I think all of these conditions are wrong. I think that this bill is a good bill, because it does away with these things and also provides for uniting the two services—the Revenue-Cutter and Life-Saving Services—which certainly will save expense and will promote efficiency. In addition, Mr. Chairman, there is another thing accomplished by this bill which I do not believe has been mentioned. It is a fact that in the service of the Army and of the Navy and of the Marine Corps, as I am informed, the enlisted men and the officers all have the retirement privilege except the officers of the Revenue-Cutter Service, and for some unknown reason they are deprived of that privilege. I understand this bill will correct that, and that constitutes another reason for my approval.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMSON. Mr. Chairman, I yield to the gentleman from Tennessee [Mr. Hull].

Mr. HULL. Mr. Chairman, I am in favor of the principle embraced in this bill. I do not desire to consume the time of the House at this time, however, except to ask permission to extend my remarks in the Record.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to extend his remarks in the Record. Is there objection?

Mr. MANN. Mr. Chairman, I shall object. When you cut off debate on a bill of this kind, I do not propose that the Record shall show there has been long debate.

Mr. HULL. I desire to extend my remarks on a tax item.

Mr. MANN. I have no objection to the gentleman extending his remarks on some other subject.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. ADAMSON. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. Thacher].

Mr. THACHER. Mr. Chairman, the sixteenth Massachusetts district, which I have the honor to represent in the Congress, contains on its extensive coast line many life-saving stations. A large number are located on Cape Cod, where I was born and have lived, as have my people before me. This is one of the most dangerous portions of our Atlantic coast, and well do the hardy men of Cape Cod know its dangers. From time immemorial Cape Cod has produced many experienced sailors and fishermen, and there has never been a better maritime race than these sturdy sons of the sea. To-day there are more fishermen on the Cape than sailors. It is, however, from the above type of worthy men that the New England life-saving stations have been largely manned.

No true son of Cape Cod can help being interested in the welfare both of the men "that go down to the sea in ships, that do business in great waters" and those whose duty it is to rescue ship-wrecked mariners. My interest in legislation for the life-savers dates back nearly a quarter of a century, to 1892, when my father, Henry C. Thacher, of Yarmouth, as the Democratic candidate for the Cape Cod congressional district advocated legislation for the life-savers. I resolved then that if the time ever came I would do all in my power for the life-savers.

Moreover, there are other reasons, sentimental ones I will confess, why my heart beats in sympathy with those connected with the sea. Over 50 years ago my two uncles, Bartlett and Chandler Bray, were boys at Yarmouth. The elder, Bartlett, at the age of 14, went as cabin boy on the bark *Mimosa*, owned by my father, who was engaged in the Mediterranean business. The *Mimosa* made a successful trip from Boston to Smyrna and back. Just as the *Mimosa* was on the point of sailing with Bartlett on a second voyage to Smyrna, his younger brother, Chandler, aged 10, was accidentally drowned in Yarmouth Harbor. My grandfather telegraphed to Bartlett at Boston not to sail, but the message arrived too late. The *Mimosa* sailed for Smyrna, and on her homeward voyage she was lost with all on board. I was named after my uncle Chandler and my brother Louis after my uncle Bartlett.

I could other tales unfold, but rest assured, gentlemen, the men of Cape Cod well know the dangers of the sea and appreciate the work of the life-savers, who risk their lives to save others.

Each year these men must pass a thorough medical examination before they can sign for the ensuing year, for they must continue to be physically sound in order to remain in the service. Frequently, as rheumatic or heart symptoms become apparent from the performance of their duty, or perhaps weakness of the eyes from exposure in stormy weather on the nightly patrol to the biting sand and shore, these men are dropped without consideration except a maximum pay of two years to themselves or to their widows should they be killed while on duty.

If time and space permitted, I could cite many deeds of heroism performed by the life-savers of my district, and also some sad cases which have been brought to my personal knowledge when men have been obliged to quit the service owing to physical infirmities contracted in the service. Broken down in health, without sufficient money to pay for medical aid or to provide for their families, these cases were truly pathetic. Sometimes these men have died in the poorhouse.

To show that this service, under the present conditions, is suffering for want of men, I will quote from the public hearings held on this bill.

TESTIMONY BY THE SUPERINTENDENTS.

Capt. Kimball, General Superintendent of the United States Life-Saving Service, testified before the House committee:

We have great difficulty in getting competent men. In some of the districts we have no names on the eligible list from which to make certifications. As the matter stands now, the men grow old in the service at a rate of pay that barely supports them and their families, if, indeed, it does that at all times, and when these men become disabled in the line of duty or by age, they have to leave the service with nothing to live upon.

Capt. Dominy, superintendent of the fourth district, testified before the Senate committee:

We can not get men.

Capt. Chapman, superintendent of the tenth district, testified:

My own district averages from 25 to 30 per cent of vacancies in the crews, which are filled constantly by temporary men, who, to a large degree, are unskilled. The cry to-day from the keeper is, "Give me men; give me skilled men." The Buffalo crew last year had one enlisted man and seven temporaries. The Cleveland crew has about the same.

Capt. Kiah, superintendent of the eleventh district, testified: I have trouble in not getting enough men. We are short, and have been.

Capt. Bowley, superintendent of the second district, testified:

We can not get good men to enter the service. There is nothing to care for them if they are disabled on patrol or regular work, and they simply will not come in.

Capt. Cole, superintendent of the fifth district, testified:

The personnel of the service is deteriorating rapidly.

Capt. Tunnell, superintendent of the sixth district, testified:

I am losing good men in my district—No. 1 men, very valuable fellows—because they don't see any prospect of advancement in the future, and they are going into commercial business.

Capt. Harding, superintendent of the first district, testified:

Our service is getting impaired. We can not get men, and why? You hold out no inducement for promotion. You hold out no reward.

I feel if you are going to pass the bill it should take effect immediately on its passage. Some of us may be dead before it becomes effective. We have sent men to their graves broken-hearted because the United States Congress, on their part, has not done something for us.

I wish we had the eloquence with which to go before the United States Senate and tell something of what has been done in the trying work of saving human lives.

Senator NELSON. Why does it require a brave man to be an efficient man in this service?

Mr. HARDING. The men who would be willing to lay down their lives and die with those they are trying to save—which should be the characteristics of every man in the service—are the men we want.

Senator NELSON. Are they called upon to do that, to do those things whereby they practically lay down their lives?

Mr. HARDING. Called upon! They are expected to do it, and that is why we are all to-day begging to get such men.

Gentlemen, I trust you will excuse me. I know I have been taking up too much of your time, but I would like to have these men come and tell you what it is to patrol the beach at night, alone and far away from human habitation. If a man falls and breaks a leg, or is injured in any way, it is death unless he has a signal in his pocket or some one hears his cries. It has happened, to my knowledge, and I know it has happened within the knowledge of the other gentlemen. The signal which gives light to warn vessels of danger is the means of saving his life. When some of you gentlemen would hesitate to go out in a storm to post a letter we, gentlemen, are patrolling the beach—north, east, south, and west—only 2 or 3 miles, perhaps, down the beach, but when you are coming back it seems like 10. We have been on the beach with a pocket handkerchief across our faces, and the sand cutting our eyes and getting into our ears, listening for what? The cry for help; and there is a great difficulty before you get there, Mr. Senator. A trained man, an experienced man, possesses instinct. Oftentimes they will hear a vessel which something tells them is in distress when a green hand will be whistling the latest song from an opera. He does not care as long as he gets his pay and 24 hours' leave. But the trained man is the man who always manifests the greatest human interest when he sees a wreck offshore.

Capt. Morgan, superintendent of the seventh district, testified: We have had some trouble in getting men, and a good many of them are leaving the service. They find occupations that will pay them better.

STATEMENT OF THE SECRETARY OF THE TREASURY.

The Secretary of the Treasury, Hon. W. G. McAdoo, in a letter dated August 25, 1913, to the Senate Committee on Commerce, stated—

That the officers and men of the Life-Saving Service are entitled to the benefits of retirement seems to be generally conceded, the principle being based upon the public sentiment which created retired lists for the Army, Navy, Marine Corps, and Revenue-Cutter Service, because of the extra hazardous duty connected with the work performed.

The Secretary of the Treasury, in his annual report, published on December 7, 1914, states:

It is again earnestly recommended that the coast guard bill, contemplating the consolidation of the Revenue-Cutter Service and the Life-Saving Service, be enacted into law. The measure has already passed the Senate and is now pending in the House of Representatives. This will greatly increase the efficiency of these two valuable arms of the Government.

The House Report No. 682, which accompanies the coast guard bill, states:

During the past fiscal year about 11½ per cent of the total force have either been discharged for physical disability or declined to continue in the service under existing conditions. In several of the districts it appears to be impossible to secure sufficient men to fill the current vacancies, and in one district particularly there are 58 vacancies and not a man on the eligible list. It is believed that the organization of the coast guard as proposed will remedy the existing evils and save this highly meritorious branch of the public service from decadence, inevitable unless the service is made more attractive.

The same report also gives the history of the Revenue-Cutter and Life-Saving Services, as follows:

HISTORY.

The Revenue-Cutter Service was founded in 1790, and was the first regularly organized armed maritime service of the Government. It has taken a conspicuous part in every maritime war in which this country has been engaged, and its military status has been fixed by Congress. Its officers and men have the benefits of retirement, military titles, courts-martial, and they rank with officers of the Army and Navy.

The Life-Saving Service was originated in the Revenue-Cutter Service, as hereinbefore stated, and for several years after its inception was operated under its direction. It became a separately organized service in 1878, but since that time officers of the Revenue-Cutter Service have been detailed as the inspectors and drillmasters of the Life-Saving Service.

During the Spanish-American War the Life-Saving Service along the Atlantic and Gulf coasts was temporarily transferred to the jurisdiction of the Navy Department, and operated as a coast patrol and signal service. As such an auxiliary to the Regular Navy its services were found to be of great value from a military standpoint.

"GIVE US MEN."

All along the coast of our country the story is the same. It is the same cry, "Give us men." The service is deteriorating. The young men of the type described refuse to enlist, and seek better-paid employments, such as fishing, operating motor boats, and other pursuits, and the older men, broken down sometimes in body, mind, and purse are leaving the service. These facts are indisputable. Let us examine the conditions which the Life-Saving Service faces to-day and the provisions of relief to be furnished by the coast guard bill:

EXISTING CONDITIONS SOUGHT TO BE REMEDIED.

1. Owing to insufficient pay and lack of a retired list, practically one-third of the life-saving stations are now either unmanned or manned with inefficient men.

2. An average of 11 men a year die in the service from disease or exposure incident to the hazardous duties.

3. In addition an average of 29 men are discharged annually before the expiration of their enlistments on account of physical unfitness, developed as incident to exposure and their hazardous duties.

4. The Revenue-Cutter Service and the Life-Saving Service, both devoted in the main to the saving of life and property from the ravages of the sea, are now operated as distinct organizations, although formerly administered by one executive head.

WHAT THE COAST GUARD BILL CONTEMPLATES.

1. Great increase in the efficiency of the Life-Saving Service by—

(a) Combining both services under one executive head.
(b) Providing a retired list for the men on account of age or after 30 years' service.

(c) Giving the men of the Life-Saving Service longevity pay for reenlistments.

(d) Giving the men of the Life-Saving Service clothing allowance, and medical attention from the Public Health Service.

(e) In lieu of a pension list for the dependents of those who lost their lives in the service a sum of money equivalent to

two years' pay is given. This is much more economical for the Government than a pension.

2. It creates a naval reserve of about 4,100 trained and highly efficient officers and men, ready at a moment's notice to operate under the Navy Department whenever the President directs.

3. The coast guard constitutes a naval reserve without any additional cost to the Government as such, as the saving of life and property at all times is worth much more to the people than its cost of maintenance.

4. It places on the retired list at three-quarters pay Sumner I. Kimball, now 80 years of age, the man who founded the Life-Saving System and who has devoted the best years of his life to its upbuilding—a fitting tribute to one the effects of whose humanitarian efforts will last for ages.

WHAT THE COAST GUARD BILL DOES NOT DO.

1. It does not create, nor inaugurate in any manner, a civil retired list, as this bill especially provides that the coast guard shall be distinctly a branch of the military forces of the Government.

2. It does not in any way increase the number of employees of the Government.

3. It raises no basic salaries. All increases in pay are due to length of service only.

4. It does not increase the pay or allowances of any commissioned officer of the Revenue-Cutter Service.

WHAT IT WILL COST.

All the advantages of this bill, both to the Government and to the men, will be brought about at a maximum total increased cost of but \$400,000 per annum, which is less than 8 per cent of the present annual cost for the entire maintenance and operation of the two existing services.

WHAT THE COAST GUARD BILL PROVIDES.

Mr. Chairman, the coast guard bill combines the Life-Saving Service with the Revenue-Cutter Service in the coast guard, operating in times of peace under the Secretary of the Treasury, as at present, but in time of war the coast guard shall be under the orders of the Secretary of the Navy or the direction of the President.

The officers and enlisted men of the coast guard will be entitled, as a part of our naval forces, to certain benefits due those engaged in an extra hazardous service, which, briefly, are these:

The surfmen will receive—

First. Retirement at 64 years of age, or after 30 years of service or for disability, on a retirement allowance of 75 per cent of their active-duty pay.

Second. Longevity pay, amounting to \$1 per month increase for each three years of service.

Third. Clothing allowance of \$45 for the first year and \$20 for each subsequent year.

Fourth. Free treatment in the Government hospitals.

Fifth. Rations as at present.

The superintendents, keepers, and No. 1 surfmen will receive—

First. Longevity pay at the rate of 10 per cent increase for each five years of service up to 20 years of service and retirement and other provisions as provided for surfmen.

While I should like to see the pay of the surfmen increased in corresponding amount, and also a more liberal provision in case of death while in the service, yet I realize that the sum of \$397,700 estimated by the Treasury Department as the annual expense required under the bill, including about \$40,000 additional to the Revenue-Cutter Service, is all that reasonably can be asked for of Congress, and I believe it will accomplish the desired results at this time.

VALUE OF THE LIFE-SAVING SERVICE AS A NAVAL AUXILIARY IN WAR.

During the Spanish-American War Congress found it necessary to pass a special act—reported by Congressman MANN, of Illinois—on June 7, 1898, to keep the life-saving stations upon the Atlantic and Gulf coasts open throughout the months of June and July for the purpose of forming a part of the Coast Signal Service. This was done at the request of the Secretary of the Navy and with the approval of the Secretary of the Treasury.

The entire resources of the Life-Saving Service on the Atlantic and Gulf coasts, including 1,443 men, were at once transferred to the Coast Signal Service, under the direct supervision of Capt. John R. Bartlett, United States Navy.

That officer, in making his official report to the Navy Department at the close of the war, made the following statements concerning the value of the Life-Saving Service as a military adjunct:

The necessity of covering the long stretch of coast between these isolated stations was at once apparent, and the value of the Life-Saving Service became self-evident. These crews constantly patrol the beaches from Maine to Texas, and no vessel can approach within sight of the coast and escape their attention.

The result of my experience leads me to believe that the Coast Signal Service should be an integral part of a naval coast-defense system, as it is most intimately connected with it, and should be in closer relation than that of an allied branch. * * *

Another valuable result of the experiment has been to demonstrate the great usefulness of the life-saving stations for the purposes of observation and international code signaling. * * *

In concluding his report he made a number of finite recommendations to the Secretary of the Navy, the first one of which follows:

That each life-saving station should be made a coast signal station, for the reason that they are all connected with each other by telephone and their system of the patrol of the beach places almost the entire coast line under constant observation. Moreover, the men in this service are trained to see everything that floats within the range of vision, are trustworthy and well disciplined, and are already excellent signalmen with the international code.

THE COAST GUARD AND NATIONAL DEFENSE.

While the question of national defense now more than ever before is brought into prominence it is well to consider the advantages of the coast guard from a strictly military standpoint.

The added efficiency which will be given to the Life-Saving Service under the terms of this bill will make available in the coast guard for immediate service in connection with the defense of our seacoasts a corps of approximately 4,100 trained officers and men, all in the best physical condition and all accustomed to life on the seas. The very nature of their emergent duties in peace times will make them quick of action, resourceful, and disciplined, all of which, it must be admitted, are absolutely essential to success in modern sea fighting.

Aside from the fact that the coast guard will be worth more to the country by its saving of the lives and property of its citizens than it actually costs, its value as a part of any scheme for the national defense can not be overestimated. Simply by a stroke of the pen the President can transfer this highly efficient corps of men, armed, trained, and disciplined, into the regular Naval Establishment at any time, whether in peace or in war. In strictly warlike pursuits it can not be denied that they will be the equal of any similar number of men in the regular Naval Establishment. This asset of military preparedness must therefore not be overlooked when appraising the value of the coast guard to the Government.

CASUALTIES IN THE LIFE-SAVING SERVICE.

Since the organization of the Life-Saving Service up to January 1, 1914, there have been 320 deaths directly incident to the exposure and hazards of duty along the coasts. In the past decade there has been an average of 11.7 deaths each year. The causes of these losses are principally drowning and pulmonary diseases incident to exposure in the lifeboats or from patrolling the beaches in severe weather. There have been three deaths due to lightning striking the surfmen while out on patrol on desolate beaches, they being the only objects in the vicinity projecting above the level of the beach.

The average given is not representative of the actual losses of life incident to exposure, as the men in the Life-Saving Service are enlisted every year, and at each reenlistment they are examined and must be found physically sound or else they are rejected. Hence there are many instances where surfmen have contracted diseases on account of exposure while in the service, have been rejected when applying for reenlistment, and have died subsequently. Such cases have not, of course, been included in the list of deaths.

By far the most regrettable procedure incident to the existing conditions in the Life-Saving Service is the fact that during the past 10 years it has been found necessary to discharge an average of 29 of the enlisted men of the service before the expiration of their term of enlistment on account of physical disability incurred in line of duty.

It is on account of such severe conditions as the above that it is impossible to obtain and keep efficient men to man the various stations.

In three important particulars the statistical record of the operations of the Life-Saving Establishment for the last fiscal year, ending June 30, 1914, shows larger totals than are to be found in any similar annual enumeration of results in the history of the service, namely, the number of vessels reported as having suffered accident or disaster, the number of persons on board said vessels, and the value of the property (vessels and cargoes) exposed to damage or loss.

A summary of the year's casualty record of the service follows:

Number of vessels involved	1,937
Vessels totally lost	82
Persons on board	9,296
Lives actually saved	4,762
Lives lost	38
Persons succored	1,920
Days' succor afforded	1,234

Value of vessels involved.....	\$17,304,840
Value of cargoes.....	4,203,020
Total value of property involved.....	21,507,860
Value of property saved.....	18,783,200
Value of property lost.....	2,724,660

SERVICE OF THE LIFE SAVERS ON INTERIOR WATERS.

The benefits of the coast guard will not be confined to the coasts of the Atlantic, Pacific, Gulf, and Great Lakes.

At all times when practicable the life savers have been sent to interior waters whenever great floods have worked havoc with lives and property along the banks of our great rivers. Within only the past 18 months two notable examples of these beneficial efforts have arisen.

The great floods which inundated the Ohio Valley during the months of March and April, 1913, are fresh in the memories of all. The whole country was horror stricken at the appalling results of the raging waters in portions of West Virginia, Kentucky, Illinois, Missouri, and Tennessee. The calls for help did not go unheeded by the United States Life-Saving Service. Seven crews were immediately dispatched to the scenes of distress, and other crews were held in readiness for immediate response in case the conditions grew worse.

In spite of almost insurmountable difficulties of transportation the crews arrived at the localities where their services were most badly needed, and immediate steps were taken to relieve suffering humanity. People were taken from house tops to places of safety, food and clothing were distributed to those in need, and in every conceivable way within the limit of their resources assistance was rendered to the stricken people. One of the many notable incidents was the rescuing of all the occupants of an orphan asylum at Fort Wayne, Ind., under most trying circumstances, without a single mishap.

The net result of the efforts of the seven life-saving crews during this particular flood was the rescuing and succoring of 3,509 persons and the saving of property valued at \$30,000 which otherwise would have been lost.

FLOODS IN TEXAS.

In the early part of December, 1913, the overflowing of the Brazos and Colorado Rivers in the south-central part of Texas almost entirely inundated several counties. At once three life-saving crews and the revenue cutter *Windom* were sent to the flooded districts. Many of the unfortunate inhabitants were in a starving condition and in danger of being drowned. After many hazardous experiences quantities of food and clothing were distributed to the beleaguered people, and many of them were rescued and taken to places of safety. In all, 803 persons were either saved from drowning or given succor.

Many commendatory letters from prominent citizens and relief committees were received testifying to the very valuable assistance rendered by these coast life-savers. The Galveston central relief committee, through its chairman, wrote the Secretary of the Treasury that "their work was performed under the greatest difficulties, and, we are very glad, indeed, to add, cheerfully and willingly."

EQUIPMENT AND RESULTS.

As at present constituted the combined Revenue-Cutter and Life-Saving Services when merged into the coast guard will embrace the following:

Number of ships:	
Seagoing.....	25
Harbor tugs and launches.....	19
	44
Number of coast-guard stations.....	279
Total authorized personnel, including commissioned officers, warrant officers, and enlisted men.....	4,093

RESULTS.

As indicative of the work which will be performed by the coast guard the following results of the operations of the two services when acting independently during the fiscal year ending June 30, 1914, may be taken to show the great importance of the proposed coast guard to the public:

Number of persons actually rescued from peril.....	5,238
Number of vessels to which assistance was rendered.....	2,147
Number of persons on board vessels assisted.....	10,983
Derelects or obstructions to navigation destroyed or removed.....	31
Value of vessels assisted, including cargoes.....	\$24,386,191
Cost of maintenance and operation for year 1914.....	\$4,781,949

It will thus be seen that for the expenditure of each dollar for the coast guard there can be expected a conservation of not less than \$5.09 worth of property of the public from the perils of the sea.

With the added efficiency which will undoubtedly follow the passage of this act even greater returns than this can reasonably be expected, and this without taking into consideration the humanitarian feature of the thousands of lives saved every year.

President Wilson indorses the coast-guard bill.

WHITE HOUSE,
Washington, December 19, 1914.

HON. OSCAR W. UNDERWOOD,
House of Representatives.

MY DEAR MR. UNDERWOOD: I hope that you will not think I am unduly burdening you if I write to express my very great interest in the bill which has been passed by the Senate and is pending in the House which provides for the consolidation of the Revenue-Cutter and Life-Saving Services. It is of the highest consequence for the efficiency of both services that this bill should pass, and I hope that some check may be found for it even in the rush hours of the House Calendar.

With warmest regards,
Faithfully, yours,

WOODROW WILSON.

Mr. Chairman, are not the statements and evidence submitted by the superintendents of the Life-Saving Service and the Treasury Department conclusive? Shall we not join together in the support of this meritorious bill? Mr. Speaker, whatever I may have accomplished in the two brief years I have had the honor of serving in this Congress, I have the satisfaction of knowing that I have served with many patriotic and distinguished men. I have tried to do my duty as I saw it and to give the best that was in me for the people of my district and country. I am glad to have had the opportunity of working with other distinguished men for this splendid piece of legislation. We have many heroes and heroines in our country, but there are no greater heroes than these life-savers, the heroes of peace.

I ask the Members of the House to give their hearty indorsement to the coast-guard bill.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield three minutes to the gentleman from Wisconsin [Mr. COOPER].

Mr. COOPER. Mr. Chairman, I did not intend to occupy any time, but have asked for a few minutes because I have just been informed that before I came into the Chamber the distinguished gentleman from Illinois [Mr. MANN] said something about a great lobby which he alleged has been at work to promote the passage of this bill. I never heard even so much as an intimation of this alleged lobby until I was told of that statement having been made by the gentleman from Illinois. I come from a city which has one of these life-saving stations. If any member of that crew or any friend of any member of the crew has written me one word in advocacy of the pending bill, I do not now recall it. The only person who has ever spoken to me on the subject, as I now remember, is the gentleman from Massachusetts [Mr. THACHER]. He said to me in a letter, and he has said to me two or three times in person, that it is a good bill. I told him that I was of the same opinion. I have seen life-saving crews go out in storms, and \$65 a month is slight compensation for men whose life work it is to face such dangers.

Mr. THACHER. Mr. Chairman, will the gentleman yield?

Mr. COOPER. Yes.

Mr. THACHER. I suppose that the gentleman is aware that I crossed Lake Michigan many, many times, and knew the lake and something about the dangers that men incur on the Great Lakes, and I spoke to the gentleman for that reason.

Mr. COOPER. If there be any lobby, I am not a victim of its contaminating touch. The whole proposition that there is a lobby organized by a lot of poor men, nine-tenths of whom work for \$65 a month, a lobby organized to influence the Congress of the United States, would have seemed to me, if uttered by anyone else than the distinguished gentleman from Illinois, to be so preposterous that I should have labeled it utterly ridiculous.

The reasons for the enactment of this bill into law are stated with force by the Secretary of the Treasury in his letter, which appears in the report of the committee. If the statements made by him are true—and of course they are—then I see no valid objection to the bill, but, on the contrary, every reason why it should become a law. He tells of stations where there are 58 vacancies and not a man on the eligible list. I wish to relate a little experience. I heard a man at the station in my city—

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. COOPER. Mr. Chairman, I will ask the gentleman from Minnesota to yield me one minute more.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield one minute more to the gentleman.

Mr. COOPER. I have not been to the station in my city for the last four or five years. The members of that crew are not political workers for me. All I wish of them is that they shall be strong enough and courageous enough to save men's lives and property. As I said, I once heard a man at that station say that the strong men of the service were often picked up by the managers of big corporations. In their large plants there is constant need for men of robust physique, men of great physical strength, and those managers know that on the aver-

age the members of life-saving crews must be such men. Accordingly these big corporations pick them out from time to time at better wages. That is one of the reasons why the Life-Saving Service can not keep them. The other reasons are advanced by the Secretary of the Treasury in his letter, and these seem to me unanswerable.

Mr. SLAYDEN. Does not the gentleman think it would be better to pay them better wages than to create a retired list with a permanent pension?

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. MOORE].

Mr. MOORE. I do not wish to discuss the bill further than to say that both the Revenue-Cutter Service and the Life-Saving Service are entitled to all praise for the special services they perform. Both of them are familiar to those of us who live along the coast line, and we are proud of their work. I have here the views of the Maritime Exchange of Philadelphia, approving the pending bill, and this I shall incorporate in my remarks:

PHILADELPHIA, April 2, 1914.

To the Interstate and Foreign Commerce Committee of the House of Representatives, Washington, D. C.:

At a meeting of the executive committee of the Philadelphia Maritime Exchange held the 2d day of April, 1914, the following preamble and resolution was unanimously adopted, and is respectfully submitted for your information:

"Whereas action on bill S. 2337, entitled 'An act to create the coast guard by combining therein the existing Life-Saving Service and the Revenue-Cutter Service,' is now pending in the National House of Representatives; and

"Whereas this proposed measure has received the earnest indorsement of the Secretary and Assistant Secretary of the Treasury; and

"Whereas the Revenue-Cutter and Life-Saving Services, since their organization as separate bureaus, have worked in conjunction and the officers of the former service have been detailed to instruct, drill, and inspect the crews of the various life-saving stations; and

"Whereas the provisions of the proposed bill appertaining to retirement and pensions are in direct accord with views previously expressed by this exchange: Therefore be it

"Resolved, That the Philadelphia Maritime Exchange, believing that maritime commercial interests will be conserved by the consolidation of the Revenue-Cutter and Life-Saving Services as proposed in bill S. 2337, hereby indorses the measure and respectfully asks the cooperation of the Members of Congress from Philadelphia to assist in the enactment of the same into law."

THE PHILADELPHIA MARITIME EXCHANGE,
By J. S. W. HOLTON, President.

Attest:

E. R. SHARWOOD, Secretary.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. McGUIRE].

Mr. McGUIRE of Oklahoma. Mr. Chairman, we have not any storms at sea in my district, yet we sometimes see storms. This is a service to which ordinarily I have never given any attention. I am always willing to leave matters of this kind to the good judgment of Members immediately concerned and who have immediate general and detail knowledge, but I had occasion not long ago to observe the dangers to which these men are exposed, and while there has been some effort to put them upon all fours with the service in the Army and the service in the Navy, if I were to attempt to select the most hazardous service of the Government I should certainly say that it is that of these life-savers. Why, their very business is exposure of some kind almost every hour, almost every minute that they are employed. There is a retired list in the Army and a retired list in the Navy; then we come to a service, always exposed, always in danger, always hazardous, and yet there is no retirement provision. I confess, gentlemen, that I do not quite understand why we should not want to retire these men. They must be men of the best physical attainments, and ought to be men—and I presume generally are—of good judgment. You take them during the best portion of their lives, when they could be preparing a business foundation to keep them after they are unable to sustain themselves longer. They are employed by the Government, no opportunity to build for the future, and it seems to me under those circumstances we ought to retire them on sufficient pay to keep them. This would keep them in a meager way, that is all.

Mr. POWERS. Will the gentleman yield?

Mr. McGUIRE of Oklahoma. I will.

Mr. POWERS. The gentleman says they are engaged in a hazardous service. So are engineers on interstate trains. What would the gentleman think of retiring them on three-quarters pay at certain ages?

Mr. McGUIRE of Oklahoma. I am speaking now of this service as a hazardous service. If there is any other service of the Government of equal hazard, then I would retire that service in the same way. [Applause.]

Mr. MONTAGUE. Will the gentleman yield?

Mr. McGUIRE of Oklahoma. I yield to the gentleman.

Mr. MONTAGUE. The question propounded by the gentleman from Kentucky was in reference to engineers employed on interstate railways. I desire to suggest to the gentleman that they are not under a Government service. The gentleman is addressing himself to employees under a Government service.

Mr. McGUIRE of Oklahoma. I realize the force of the suggestion of the gentleman from Virginia, and, I take it, that answers the inquiry of the gentleman.

Mr. POWERS rose.

Mr. McGUIRE of Oklahoma. I have only five minutes—I yield to the gentleman for a question.

Mr. POWERS. Is there any special reason for putting men on the retired list with pay because they are in Government service over other men engaged in other services?

Mr. McGUIRE of Oklahoma. For this class of service we are responsible in respect to its proper control and proper remuneration. Our obligation does not extend to private service, as suggested by the gentleman from Virginia. Now, here are two services, I understand, partially separate. Here is what the Secretary of the Treasury had to say. He seems to be for this bill—

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMSON. Mr. Chairman, I yield to the gentleman from New York [Mr. BROWN].

Mr. BROWN of New York. Mr. Chairman, some months ago I had the privilege of presenting to the House some remarks in connection with this bill now under consideration. Since those remarks are available to the membership of this House, I shall address myself to what has just been said by the distinguished gentleman from Illinois [Mr. MANN]. It is with some temerity that I match my inexperience in this House against his many years of active service here as a member of the Committee on Interstate and Foreign Commerce, which has jurisdiction over the questions involved in this debate, as chairman of that committee, and as minority leader; and yet I venture to state that I have been in a lifeboat a great many more times than the gentleman from Illinois, and I happen to know something about the service.

The gentleman from Illinois described the work of the Life-Saving Service as being "erratic, not continuous." This it undoubtedly is, because, as has been stated here, the surfmen are employed perhaps 8 or 8½ months, depending upon the seasons, on the Great Lakes; for 10 months on the Atlantic and Gulf coasts; and for 12 months on the California coast. Certainly this is not the fault of the Life-Saving Service; it is their misfortune.

The gentleman from Illinois stated that the men in the Life-Saving Service had not only reached the Members of this House, but had gone up until they reached the President of the United States, who, he believed, in his annual message recommended the passage of this bill "without any intimate knowledge of what it contained or what it proposed." Now, I do not pretend to know whether the President of the United States did or did not know what this bill contained when he advocated its passage, but I wish to suggest to this committee that unless the gentleman from Illinois can produce the proof that he did not know what he was advocating, the presumption is certainly in favor of the view that the President of the United States did know what he was doing. A glance at the elaborate report made in advocacy of the passage of this bill by one of his Cabinet officers, the Secretary of the Treasury, Mr. McAdoo, certainly places the presumption on the side of the President and not on the side of the gentleman from Illinois.

The gentleman suggests that the pay of the surfmen in the Life-Saving Service, which is \$65 per month for the time they are employed, with 30 cents a day for rations, while perhaps not very high pay in itself, is high as compared with the Army, the Navy, and the Revenue-Cutter Service. This is true; but it seems to me that this service is, in a sense, like a glorified war the whole time, because it is a war with the elements. In times of peace the Life-Saving Service, under this bill, will remain under the Secretary of the Treasury, and they will have to fight the elements, while in time of war they will be under the Secretary of the Navy, and then they will have to fight somebody else besides the elements. Furthermore, we have been so fortunate—and I hope may so continue—as to keep out of war most of the time, so that a man enlisting in the Army or the Navy presumably does not face the immediate prospect of a war.

The gentleman asks if this is a very good time to increase unnecessarily the expense of the Government. I would state to the gentleman that the increased expense to the taxpayers by reason of the adoption of this measure, as figured by the Actuary of the Treasury Department, is \$397,700 a year. This is equivalent to an added burden of 4 mills per capita, assuming

a population of 100,000,000 people in the United States. I have talked to a great many people who object to paying taxes for almost every reason conceivable, but I have yet to find a person who objects to paying his share of the \$397,700 tax which this bill would impose. While \$397,700 is a large sum of itself, yet it is only four one-hundredths of 1 per cent of the thousand million dollars or more which we annually appropriate for the maintenance of this Government.

The gentleman from Illinois states that the difficulty of getting men in the Life-Saving Service is wholly owing to the fact that they are admitted through the Civil Service Commission, and he wishes to know how many boys along the coast are going to take the trouble to take a civil-service examination for appointment in the Life-Saving Service which may never come to them; where the examination papers, as a rule, will not be examined for three or six months after they take the examination. Now, I can not speak for the whole Life-Saving Service on this particular point, but I have often heard the district superintendent of the Long Island district, in which I live, state that he would not for anything in the world return to the old method by which appointments in the Life-Saving Service were susceptible of political influence. While it is true that the Civil Service Commission has of late been so busy that the papers can not be marked in a less time than three months, yet the very fact that an examination is held makes it impossible to appoint men to the regular service who are not physically qualified to perform their difficult and arduous duties. The gentleman from Illinois refers facetiously to questions asked by the Civil Service Commission which are not pertinent to the occupations for which the candidate is being examined. The civil-service examination which must be passed by each surfman requires a physical examination just preceding the filing of his application, and a second physical examination within the five days next preceding his entrance upon his duties, which second physical examination must be made by a medical officer of the Public Health Service.

The examination further provides that the applicant—

- (a) Must be a citizen of the United States.
- (b) Must not be under 18 nor over 45 years of age.
- (c) Must not be less than 5 feet 5 inches in height.
- (d) Must weigh not less than 135 nor more than 205 pounds without clothing.
- (e) Must reside within the district in which he seeks employment.
- (f) Must be able to read and write the English language.
- (g) Must not have passed an examination for surfman within approximately one year next preceding.
- (h) Must be a good swimmer.
- (i) Must have had at least three years' experience as a surfman; sailor, with incidental experience as row boatman; or row boatman: *Provided*, That where an applicant has had at least one year's experience in the handling and operating of motor boats in rough water, two years' experience as surfman; sailor, with incidental experience as row boatman; or row boatman shall be considered sufficient: *Provided further*, That no credit shall be allowed for experience of any kind obtained before the age of 15 years.

The following elements shall be considered in the examination:

- (1) Experience; (2) physical ability. These elements shall be weighted as follows in the examination: Experience, 6; physical ability, 4.

I have quoted the above from the regulations of the United States Civil Service Commission. It is found therefore that the examination consists of two physical examinations and a statement properly vouched for of the experience of the applicant. While I admit the annoyance of a delay in receiving a rating, yet I believe that this delay is more than offset in the certainty of receiving into the service only such persons as are abundantly qualified to be part of the crew where the mistake of one may mean the destruction of all, both rescuers and rescued.

The gentleman from Illinois gives the impression that only very young men are sufficiently robust to stand the extraordinary strain to which surfmen are occasionally subjected in attempting to save lives from a wreck. If a life-saving crew consisted of only one man, who rowed the boat and rescued shipwrecked sailors and passengers from vessels, I should agree with him; but the fact of the matter is, as developed in the hearings before the Senate Committee on Commerce—which hearings I not only attended but read with great care—that the efficiency of a crew is determined in very large part by their ability to work together, and this result, of course, can only be obtained by continued practice. As I have stated before, one of the principal reasons for the urgency in passing this bill lies in the fact that under present conditions good men can not be persuaded to remain in the Life-Saving Service for the reason that the present rate of pay, with no retirement, offers them no inducement as compared with private employment. I would especially refer the gentleman to the hearings before the Senate

Committee on Commerce, 1914, Part 1, pages 9 to 21; Part 2, pages 23 to 42.

In conclusion, Mr. Chairman, I would state that I am sure that there is no Member of this House who has a higher regard for the opinion of the gentleman from Illinois than myself, and yet, as I have said before, I feel constrained to state my opinion to the members of this committee concerning this particular bill with the earnest hope that it may shortly become a law.

Mr. ADAMSON. Mr. Chairman, how does the time stand?

The CHAIRMAN. The gentleman from Georgia has 6 minutes, the gentleman from Illinois 8 minutes, and the gentleman from Minnesota 13 minutes.

Mr. ADAMSON. I hope the gentlemen will use their time, as I contemplate only one speech in conclusion; and I will ask the gentleman from Minnesota if he desires to utilize the entire 10 minutes that I put at his disposal, or, if not, will he let me have part of it?

Mr. STEVENS of Minnesota. I will yield just a few minutes and then I will use what remains after these gentlemen have concluded.

Mr. ADAMSON. I hope the gentleman will not stint himself. I desire to have the gentleman from Minnesota discuss this bill.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield two minutes to the gentleman from Washington [Mr. JOHNSON].

Mr. JOHNSON of Washington. Mr. Chairman, I represent a district which has the entire Pacific Ocean shore line of the State of Washington, the entire shore line of the Straits of Juan de Fuca, in all a very large shore line on the north Pacific coast, where many shipwrecks occur and where the Life-Saving Service is extremely limited. We read in the newspapers every few months most thrilling accounts of life-saving in the far Northwest, where these life-savers have gone far out in their boats and remained out for 24 or 36 hours, taking men off of ships and saving many lives. Sometimes that section is spoken of as the graveyard of the Pacific. It would not be so with more lighthouses, more life-saving stations, and larger crews. I believe this bill will greatly perfect the service. A letter was written to me by the wife of one of these captains, who has been at an isolated point for 12 years. To add to their slender income she established, some few years ago, a post office, which is a real benefit of the neighbors and which pays her the small sum of \$12 a quarter. In this letter she appeals for a horse for the life-saving crew, extremely limited in numbers, in order to haul the lifeboat over the long stretches of sand when the small crew is exhausted. At that station many thrilling rescues have been made—several within the past year. If some of the gentlemen far from the oceans and the lakes could see some of the great storms that prevail, and realize the desperate work done by the life-saving crews in terrific emergencies, they would not stand against retirement after 30 years' service at small pay.

Mr. STEVENS of Minnesota. Mr. Chairman, how much time did the gentleman from Washington use?

The CHAIRMAN. The gentleman consumed one minute and a half.

Mr. STEVENS of Minnesota. Mr. Chairman, I yield two minutes to the gentleman from Oregon [Mr. LAFFERTY].

Mr. LAFFERTY. Mr. Chairman, I ask leave to extend my remarks in the Record, and I yield back the balance of my time to the gentleman from Minnesota.

The CHAIRMAN. The gentleman from Oregon asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. ADAMSON. Mr. Chairman, I hope the gentleman from Minnesota will consume his time. I would rather hear him speak than to speak myself, and I will reserve all I have left for conclusion.

Mr. STEVENS of Minnesota. Mr. Chairman, I had not intended to occupy any time in the general debate, but at the suggestion of the chairman, and perhaps occupying a somewhat unique position as a convert to the cause, I will use the remainder of my time.

For several years, while I have been a member of the Committee on Interstate and Foreign Commerce, with the gentleman from Illinois [Mr. MANN] and the honored chairman of the committee, the gentleman from Georgia [Mr. ADAMSON], I opposed this sort of legislation. And I admit that I opposed it for two particular reasons. One was that in former years there was a lobby which infested the committee and besought the members for the passage of such a measure. This year not one person has been about the committee rooms talking to the members about it or spoken to me, that I know of, outside of the committee room, and the fact that a lobby was not here and has not attempted any influence has in part converted me.

Quite often I think one of the uses of a lobby is to prevent the passage of legislation which it may desire.

I have reached a conclusion, not without some difficulty, that the substance of this bill is for the public welfare. The substance of this bill is the retirement feature for the life-saving crews, and the rest of the bill is comparatively insignificant. There are some changes made in the law applicable to the Revenue-Cutter Service in the way of retirement, and I am not altogether certain that such changes ought to have been made or that such rules should be amended now. Indeed, I may suggest an amendment later as the bill is read under the five-minute rule. The principal feature, then, is the provision as to the retirement and increase of longevity pay as to the life-saving force.

I was rather amused at the statement made by my friend from Illinois [Mr. MANN] as to the comparative danger between the Life-Saving Service and service in the Army and the Navy. I served with great pleasure and profit to myself for quite a number of years on the Committee on Military Affairs, and I have some knowledge of conditions in the Army. The danger in the service in the Army is well illustrated by an incident which occurred while I was calling upon a commander of one of the military departments as they existed several years ago. An orderly came into the general's office upon some errand, and he was a very fine looking, intelligent man. I suggested to the general that it was rather strange that a man of that intelligence should seek service in the Army. So the general asked him how long he had been in the Army, and he replied that he had been in the Army for four or five years. Then the general asked him what service he had previous to his enlistment, and he said that he had been a locomotive fireman. The general said, "Why did you leave the service of locomotive fireman to enlist in the Army?" He said, "I wanted to get a good, safe place." [Laughter.] And I think that illustrates the comparative danger between those who enlist in the Army and those who engage in the Life-Saving Service.

Now, if the facts be true which the department stated and which were laid before the committee in the hearings, there is a deficiency of safe, reliable men in the Life-Saving Service, and it is impossible to secure the services of proper men to the number necessary for the proper performance of the service. As I have seen live-saving crews in my limited experience with them, and I confess it is not large, I have noticed there are some men in the crews, in every one I have seen, who ought not to be there on account of excessive age and physical inability to properly perform the work. The presence of such a man in the crew is a menace to the safety of the crew and a menace to the life and safety of those whom they try to help in the extremities they meet. Those life-saving crews ought to be composed of the best, strongest, and soundest men, and for that reason the authorities of the Treasury Department sought for the passage of this bill, because they believed it would attract that class and so would help preserve the life of the men in the service and the life of the people whom the service is designed to serve. This is the main reason that I believe it should be acceptable. I did not take much stock in the theory that the joining of these two services in one bureau will make for economy. I think that logically they should be in one service, and, in fact, they never should have been separated as they were, I think, in 1878. I think Congress made a mistake then, and it is only rectifying that mistake now. But it is a logical thing to do, not that it will make for economy particularly, but it ought to make for coordination and the improvement of the service of the Treasury Department so far as this bureau and these two divisions are concerned. So this bill does contribute that mite to the public welfare, and that is desirable.

Now, the additional cost of this measure will be divided into two parts: First, the cost of longevity pay and, secondly, the cost of retirement pay. The additional cost of longevity, as I gathered from the report, would be about \$214,000, including longevity pay as a part of the retirement pay.

The benefit which would come by reason of the longevity pay would be that it would make professional life-saving men, skillful, courageous, and reliable as long as their service is good for anything, and they will render it to the limit, and when it is no longer good for anything they would be placed on the retired list. This makes for just such service as the country needs in emergencies of commerce and war.

Now, the gentleman from Pennsylvania [Mr. MOORE] rather objected, and I think the gentleman from Illinois [Mr. MANN] objected that the system provided in this bill for retirement of men in the Life-Saving Service is not a just and proper system. There are some objections to it, and some of their criticism was well founded. But at the same time the system provided in

this bill, I think, would work out as much or possibly greater economy to the public service than the system of a life pension. Those gentlemen conveyed the idea that they preferred the granting of a life pension to those who were injured.

This provision in the pending bill instead of allowing any pension provides for two years' pay for the heirs of those who lose their lives in the service, and, of course, a retirement pay for those who may be injured. The men in the service seem to be satisfied with that provision, and so far as those men are concerned and their families it is a distinct saving to the Government. So far as those who are not injured and are retired are concerned, it is for the efficiency of the service that such a provision is made.

When the bill came from the committee there was a suggestion from those who are interested in it that the House committee should make no amendment. We made such amendments as we thought necessary. I have no doubt that others will occur when the bill is taken up for discussion under the five-minute rule. Considering the whole subject it seems to me that, first, it does make a service which can be used as a part of the naval defense, because it is always under military discipline. It can be of some use without waiting for the separate establishment of a part of the military service, and can be easily made a branch of our military defense; secondly, it is an improvement to an important part of our commercial public service. Our Nation now does very valuable work along that line, more than does any other nation on earth, but since we assume the responsibility, it ought to be done in the best way possible, and this increase in the appropriation will be met by a greatly increased efficiency on the part of those whom we enlist in this important service.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. STEVENS of Minnesota. Yes.

Mr. BUTLER. Will the gentleman tell me what sort of naval service these men will render? I am not opposed to the bill, but I would like to know what sort of military service these coast guards would render. I have lived with these men for 25 years, and I know them well. I would be glad to know what military service they would perform.

Mr. STEVENS of Minnesota. The gentleman is well acquainted with the naval service. He knows well that the Revenue-Cutter part of this naval system will go into storms and waters where naval vessels never go and would not dare to go.

Mr. BUTLER. That is right as to the first. Now come to the second.

Mr. STEVENS of Minnesota. I will do it in my own time. Secondly, these life-savers will always patrol the shore. They will furnish an efficient means of communication, so that if any means is necessary for detecting the approach of a hostile fleet or the approach of light hostile craft, or anything like that, sufficient information will be obtained. They cover the entire coast, know how to do it most completely, and that is worth something to have such an organization always at hand—

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. MANN. Mr. Chairman, I yield three minutes to the gentleman from Texas [Mr. SLAYDEN].

The CHAIRMAN. The gentleman from Texas [Mr. SLAYDEN] is recognized for three minutes.

Mr. SLAYDEN. Mr. Chairman, I think the proponents of this measure have made out a fairly good case for these Life-Saving Service people in the matter of pay. They ought not to be underpaid, but it seems to me the common-sense remedy for the difficulty is to give them better monthly pay and not to swell the already swollen pension system by adding materially to it. But to do it in the way proposed, it seems to me, would be vicious; that is, to give them 10 per cent increase of pay for every five years of service, not to exceed 40 per cent of the pay of their grade. To do that and then to retire them will be to retire them at a much higher rate of pay than any of the enlisted soldiers or sailors of the Government now get.

Then the suggestion made by the gentleman from Kentucky [Mr. POWERS] that railway locomotive engineers undergo as much hardship as these people is altogether pertinent and not so absurd as some gentlemen seem to think. We have authorized the construction of railways in Alaska. The locomotive engineers on those roads will be servants of the Government, and they can use this precedent plausibly and apply for retirement pay; and if certain other legislation that has been proposed in this House is to become a law, it will not be very long until we shall have the Government engaged in transporting products across the seas, and then masters of ships, captains, and first and second officers, and seamen generally will be in the Government service and will be entitled to three-quarters pay, or

should be entitled to it, under this as a precedent, when they are compelled by old age or physical breakdown to retire.

Now, there is another great element in our country which contributes as much, and, in my judgment, vastly more, to the public good than do these people, worthy as they are and commendable as is their work. I mean the farmers. They are exposed to the elements. They labor in the heat, and they labor in the cold; and if we are to establish a pension system generally, if we are to spread it until it covers all branches of the public service, how can we deny the farmers and the mechanics the right to share in this largess of the Government?

Mr. Chairman, I think we ought to call a halt on pension legislation. I shall gladly vote for an increase of pay for these men, if that is proposed, but I shall certainly vote against the measure as it is presented.

Mr. MANN. Mr. Chairman, my distinguished friend from Minnesota [Mr. STEVENS], in endeavoring to prove that service in the Army was safe, gave an instance which came under his observation where a man who had been a locomotive fireman, receiving pay of from \$100 to \$150 a month, left that job and enlisted in the Army at \$16 a month because it was safer. I can explain that easily enough: The man simply lied. That was not the reason he went into the Army. [Laughter.]

Now, this bill provides for men who left the Army going into the Life-Saving Service. I would not say they left the Army to go into the Life-Saving Service because it was safer. At the time of the Indian wars the Army was a very dangerous proposition. It may be at any time. Either service may be hazardous.

My friend from Wisconsin [Mr. COOPER] thinks the suggestion that there was any lobby in connection with this bill is ridiculous. Why, of course they did not go to my friend from Wisconsin. They found out how he would vote and lined him up long ago. They do not have to ask him now. They knew how he would vote. Speaking immediately before him was the gentleman from West Virginia [Mr. MOSS], and immediately following him was the gentleman from Oklahoma [Mr. McGUIRE]. Neither one of these gentlemen has any occasion to know anything about this bill unless somebody has called his attention to it. Both made speeches in favor of it. Why? Presumably because somebody had called their attention to it in a legitimate way.

Mr. COOPER. Will the gentleman permit an interruption?

Mr. MANN. I will yield for a question.

Mr. COOPER. Does the gentleman remember that I said the only person who had spoken to me on the subject was a Member of the House, Mr. THACHER?

Mr. MANN. Oh, I know that; but the gentleman probably will not know that the life-savers in his district knew how he stood on this bill, and he admitted that he had neither read the bill nor the report until to-day. Lobbies do not come to Washington any more. They never did very much. Lobbying is done from home. The lobby in favor of the oleomargarine bill was the most powerful lobby that ever affected a bill in Congress; but that lobby was not in Washington. It was at home. Chambers of commerce and other associations in all the cities along the coast have passed resolutions in favor of this bill. Why? How did they learn about it? Well, it was not by second sight. They have been working on this thing for years. I served for a long time on a committee that dealt with the matter, and have received many letters from men scattered all over the United States and copies of resolutions passed by people who did not know what was in the bill, and did not pretend to, but who favored it. Now, I do not take any exception to that. I think that is perfectly legitimate. I am not condemning their methods, but they ought not to be too influential. Yet I realize that in this House—the most profligate in the wasting of the public money that ever assembled in this building—there is no hope of defeating any proposed expenditure of money which goes into the pockets of the constituents of Members. The other side of the House is the most extravagant body of legislators that ever met at this end of the Capitol, and this side of the House is not so very much better. We do not have the same responsibility, but we seem to have the same desire to get money for our constituents. I hear men on the floor denouncing every method to increase taxes and every proposition to prevent expenditures. I would like to see men bold and brave enough when they want to increase expenditures to say also: "We favor a method of increasing taxes." [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. ADAMSON. Mr. Chairman, the policy of special benefits conferred by government upon organizations or individuals

originated when Horatius kept the bridge so well, in the brave days of old.

They gave him of the corn land
That was of common right,
As much as two strong oxen
Could plow from morn till night.

Since that time when the governments would confer either pensions or retirement privileges they made the test military service. Business institutions outside organized pension and retirement plans, and thus helped to draw away from the Government service, which is not so desirable, the men the Government service needs.

The Revenue-Cutter Service and the Life-Saving Service grew up in one organization, and that was a military service. It was fighting for the country before the Navy was born. It has done military service in every war. It has acted as a signal corps. The gentleman from Illinois [Mr. MANN] has acknowledged that by his own procurement the Life-Saving Service, even in its present state of separation from its associate, the Revenue-Cutter Service, acted as a signal corps with great success and glory during the Spanish War. The two services were in one up to about 1878, when Mr. Kimball, the present venerated head of the Life-Saving Service, was the superintendent of the joint organization, up to that time undivided, the Revenue-Cutter Service. It was thought that by separating the two arms of the service the life-saving branch could be more efficiently organized and made more successful. It has been successfully organized, and, as the gentleman from Illinois [Mr. MANN] acknowledges, it is the best life-saving service in the world; but they can not secure nor hold their men.

For 14 years that the gentleman from Illinois [Mr. MANN] and I were on the Interstate and Foreign Commerce Committee together there came every Congress from the Senate to our committee the Frye bill to provide for the Life-Saving Service the right of retirement. That bill was met by the objection that it proposed a civil pension. I and other members of the committee said, and the gentleman from Illinois did not object to it, "Go back into your fighting organization, go back into your military service, and ipso facto you will become entitled morally and legally to these retirement fees." They finally took us at our word. We objected to their becoming the vanguard and entering wedge for a great civil pension list. Finally Mr. Foss, of Illinois, introduced a bill while he was in Congress and chairman of the Committee on Naval Affairs to reunite the two services that originally operated together as a military service. It was not done then, but since then it has been indorsed by two administrations. Secretary MacVeagh during his administration caused the two branches of the service to agree on the terms of this bill, and he approved it. When the Republicans went out of the administration of the Government the present Secretary of the Treasury, Mr. McAdoo, indorsed the same bill, and the President of the United States indorses it and urges its passage. It is not true that it is retirement for a civil institution. It is the opposite. It opposes that idea. It removes the life-savers from the vanguard of the civil-pension people, restores them to their old place in a military organization, in which they will be entitled to retirement, and makes no precedent for civil pensions or retirement. It retires them after their position in the fighting organization, as a part of it, shall have been restored, and then only, but as such they will become entitled to this retirement. [Applause.]

The young men of the country are called on to go into the service, and in their old age, after serving 30 years in the service against enemies, elemental and human, are then kicked out, and like the celebrated cardinal they can cry, "Had I but served my God with half the zeal I served my (king) country, he would not in mine age have left me naked to mine enemies." [Applause.]

The consequence is that before these men become emaciated and feeble in the service they seek better employment in some other way.

One more word. If we are to be met at every juncture with the cry of economy when we come in to support the institutions of the Government, we can not get along decently. It is all right to spend \$40,000,000 for a railroad, \$300,000,000 for the Post Office, \$35,000,000 for rivers and harbors, \$30,000,000 for public buildings, two or three hundred millions for the support of the Army and the Navy, but when you come to talk about the organization which supports the civil system, collects the customs, defeats the pirates, catches the smugglers in time of peace, as well as saving the lives and property of the people, and fights our battles in time of war, they say you must not increase the expenses of the Government by \$400,000. [Applause.]

This is the service absolutely essential to the Government to collect its revenues and protect it against disease, the public enemies, and the elements. True, we are levying heavy taxes, and I deplore the necessity for it and the hardship on our people, but the prime purpose of levying any tax is to support and operate the necessary functions of government. The present bill deals with the most valuable and most necessary service of the Government.

The CHAIRMAN. The time of the gentleman from Georgia has expired. All time has expired. The Clerk will read.

The Clerk proceeded with the reading of the bill, as follows:

Be it enacted, etc., That there shall be established in lieu of the existing Revenue-Cutter Service and the Life-Saving Service, to be composed of those two existing organizations, with the existing offices and positions and the incumbent officers and men of those two services, the coast guard, which shall constitute a part of the military forces of the United States and which shall operate under the Treasury Department in time of peace and operate as a part of the Navy, subject to the orders of the Secretary of the Navy, in time of war or when the President shall so direct. When subject to the Secretary of the Navy in time of war the expense of the coast guard shall be paid as a part of the Navy Department: *Provided*—

The following committee amendment was read:

Provided, That no provision of this act shall be construed as giving any officer of either the coast guard or the Navy military or other control at any time over any vessel, officer, or man of the other service except by direction of the President.

Mr. ADAMSON. Mr. Chairman, I offer that amendment, and I want to say in offering it that I think it is already the law. It is in the Revenue-Cutter Service law, and by a subsequent provision in this bill, if adopted, would be held as the law governing the joint organization. But out of abundant caution some members of the committee thought we had better repeat it here.

Mr. BUTLER. Will the gentleman yield?

Mr. ADAMSON. Yes.

Mr. BUTLER. I find this provision in the bill:

When subject to the Secretary of the Navy in time of war the expense of the coast guard shall be paid as a part of the Navy Department.

Do you mean to give them the same pay that they get in the Navy?

Mr. ADAMSON. Oh, no; that is already the law. It is the law of the Revenue-Cutter Service that we repeated. We do not change the phraseology.

Mr. BUTLER. Very well; what does this mean?

Provided, That no provision of this act shall be construed as giving any officer of either the coast guard or the Navy military or other control at any time over any vessel, officer, or man of the other service except by direction of the President.

Mr. ADAMSON. I have already stated, if the gentleman from Pennsylvania was listening—

Mr. BUTLER. I was listening, but I did not understand the language.

Mr. ADAMSON. That is already in the Revenue-Cutter law.

Mr. BUTLER. I do not care if it is in the Bible.

Mr. ADAMSON. I do not know whether the gentleman would understand it then or not.

Mr. BUTLER. I presume that I would try to understand it, and I think that I would believe. That language does not to me mean anything:

Provided, That no provision in this act shall be construed as giving any officer of either the coast guard—

I can get along that far—

or the Navy military—

What is the "Navy military"?

Mr. ADAMSON. It may not be punctuated right.

Mr. BUTLER. Would it not be well to have it read so plain that the blind, like me, could understand it?

Mr. ADAMSON. The military is separate from the Navy. I had not observed the omission of a comma.

Mr. BUTLER. I do not want to offer so important an amendment.

Mr. COOPER. Will the gentleman yield?

Mr. ADAMSON. Yes.

Mr. COOPER. I would like to ask the gentleman from Georgia if it would not be well to strike out the words "military or other"?

Mr. ADAMSON. It would mean the same thing. It is a repetition of existing law not necessary to be repeated at all, and I should think the restoration of the comma, as suggested by the gentleman from Pennsylvania, would make it all right.

Mr. SMALL. Will the gentleman from Georgia permit me to read the language in the act approved April 12, 1902, to promote the efficiency of the Revenue-Cutter Service?

Mr. ADAMSON. Certainly.

Mr. SMALL. In that act is this provision:

Provided further, That no provision of this act shall be construed as giving any officer of the Revenue-Cutter Service military or other

other control at any time over any vessel, officer, or man of the naval service. Nor shall any naval officer exercise such military or other control over any vessel, officer, or man of the Revenue-Cutter Service, except by direction of the President.

Mr. ADAMSON. Mr. Chairman, I ask unanimous consent to modify my amendment by inserting the comma after the word "Navy."

The CHAIRMAN. The gentleman asks unanimous consent to amend his amendment, and the Clerk will report it.

The Clerk read as follows:

Page 2, line 5, after the word "Navy," insert a comma.

The CHAIRMAN. Is there objection?

There was no objection.

OPPOSING NEW PENSION ROLL FOR MEN NEVER ENLISTED IN ARMY OR NAVY ON RETIRED LIST.

Mr. TRIBBLE. Mr. Chairman, this bill seems to meet with considerable favor, and there may be no record vote. I want the Record to show that there is one man who opposed this bill. I have resisted all measures increasing retired pay for Army and naval officers. This bill goes farther than any bill I have ever seen before this House or any bill that has ever passed this House on the question of retired pay and longevity pay. This bill proposes to cover into a branch of the naval service 4,374 men of the Life-Saving Service with officers having rank of captains and other naval rank of naval officers, with pay of naval officers and retired pay of naval officers. It goes farther than privileges extended to men in naval and Army service by providing that all persons employed now or in the future in the Life-Saving Service shall be retired on a salary equal to 75 per cent of the service salary after a term of 30 years' enlistment. The employees of no other department of the Government are retired on salary. So far as the principle is concerned, I am just as much opposed to retiring the officers provided for in this bill on salary as I am to the other employees. I am seriously opposed to the principle involved as well as to the bill. Furthermore, it increases every five years the salary of the men 10 per cent, thus paying them in a few years more than this House should grant for service rendered.

If the gentleman will read with me the next section of the bill as follows:

That in the coast guard there shall be a captain commandant, senior captains, captains—

Mr. ADAMSON rose.

Mr. TRIBBLE. I have the floor, Mr. Chairman.

Mr. ADAMSON. I was about to ask the gentleman if this was the section—

Mr. TRIBBLE. I am discussing this bill. If I do not discuss the bill and the section, the gentleman can call me down on a point of order.

Mr. ADAMSON. Oh, I have no disposition to do that.

Mr. TRIBBLE. To continue:

Captains, first lieutenants, second lieutenants, third lieutenants—

And so on.

All of these offices are created by this bill and not now existing. Many years this Life-Saving Service has been trying to get this bill before this House, and now a Democratic committee presents it at a time when the country is financially paralyzed and the people are groaning under the load of a special tax.

Mr. BUTLER rose.

Mr. TRIBBLE. I will answer my colleague on the Naval Committee, the gentleman from Pennsylvania [Mr. BUTLER], who has been trying to get information from the chairman. I can tell my colleague [Mr. BUTLER] what this bill means. It means the creation of officers who have never been to the Naval Academy and who have not equipped themselves for service and who can not take charge of battleships and submarines, but it places them in the same rank in order that they may receive the same pay. That is what it does, and I am here to say to you that this is not the time, when the people are burdened with stamp taxes, when they are burdened with all kinds of taxes to carry on the expenses of the Government, to create new offices and put new men on the retired list with pay. There is one man who will cast his vote against it.

Mr. TALCOTT of New York. Mr. Chairman, will the gentleman yield?

Mr. TRIBBLE. I hope to do so, but I have a great deal I want to say and I will not yield at this time. That is what this bill means. Read it for yourself. You did not read far enough, Brother BUTLER. Read it all. There is much objectionable legislation in this bill. We are about to take an unprecedented step. It is proposed to start a pension roll for all employees. There is over a million dollars to start with in this bill, and where will it lead us? The gentleman from New

Hampshire refers to the farmers' seed as an item of economy that could be cut out of appropriations. Surely he does not mean this seriously, thus taking this little pittance of seed to make funds for retired pay. When the news goes to Georgia that a gentleman on the floor of this House said that this bill should be passed and the seeds should be taken from the farmers, if necessary, to furnish the funds, I want the farmers in my district to know that their Representative rose in his place and said they should have their seeds and that these men should not be retired on salaries to bask in the sunshine of retirement on their seed pay. [Applause and laughter.]

Mr. STEVENS of New Hampshire. Mr. Chairman, will the gentleman yield?

Mr. TRIBBLE. Not at this time. I call attention to the fact that this report admits that these men work only five or six months in the year. The average pay of the men is \$840 for five months as a minimum time, with an average of nine months, and they get food from the Government. They reach down into the Treasury of the Government, and in addition to their salary they take out the food they eat and clothes they wear. They possess no superior qualifications to the ordinary enlisted men of the Army or Navy and get more than double the pay. They do not have to have buggies and mules or any expense as rural carriers do, and they do not work 12 months in the year as the rural carriers do. They work only five or six months in the year, and now it is proposed to make them officers and give certain selections among them rank and pay with the men who graduate at the Naval Academy and retire them after a few years' service. The official rank of captain provided herein carries the pay of \$5,000 per year, and to that is added commutation, heat, and light in the sum of \$1,311.30, making a total of \$6,311.30 to this newly created official, who is to be retired to private life after 30 years' service on salary. There are now over 1,000 retired naval officers who render no service whatever to the Government, and many of these draw salaries each of over \$10,000. Now, it is proposed to create new avenues for new officers to retire, that they may bask in the sunshine and enjoy the pay of a retired officer rendering no service. In addition to this, every man in the service may retire on salary and give the Government no service whatever.

I yield now to the gentleman from New York.

Mr. TALCOTT of New York. Mr. Chairman, I would like to call the attention of the gentleman to the fact that these officers enumerated in the first part of section 2 are the various officers now provided for the Revenue-Cutter Service.

Mr. TRIBBLE. I will answer that by saying that I was not here when the Revenue-Cutter Service bill was passed, and if I had been here I would have opposed it. [Applause.]

Mr. TALCOTT of New York. And they are subject to retirement now.

Mr. TRIBBLE. That does not make any difference to me. The law should be repealed. That answers your question completely. That Revenue-Cutter Service provision should be repealed, and if I could repeal it I would do it immediately.

Mr. TALCOTT of New York. Of course the bill is open to an amendment of that character.

Mr. TRIBBLE. But the revenue-cutter bill is not before the House. There is no use to undertake to cut anything out of this bill. It is going to be passed. It is staged to be passed; but I think the advocates of the bill know there are one or two men here who are opposing it. When a farmer makes a contract in this period of financial distress he must buy a Government stamp, and yet it is proposed by the gentleman from New Hampshire to take his agricultural seed money and apply it to increased pay of officers and employees of the Life-Saving Service and retire them on pay to do nothing but enjoy that agricultural seed money of the farmers. Yes; take his agricultural seed and call on him for stamp tax. Why this hurry about passing this bill of so much importance? I never heard of this bill until it was called up only a few minutes ago.

Mr. BUTLER. Mr. Chairman, will the gentleman yield?

Mr. TRIBBLE. I yield to the gentleman.

Mr. BUTLER. Does my friend understand from the section that he is speaking about that the military service which these men might perform makes it possible for them to have their grades increased so as to receive the pay of officers of the Navy?

Mr. TRIBBLE. Certainly it means that.

Mr. BUTLER. I asked the gentleman from Georgia [Mr. ADAMSON] that question. Certainly none of them will get the pay of captains in the Navy, \$5,000 a year.

Mr. TRIBBLE. Read this report, and you will find that these officers get the pay of the rank of captain and other ranks of naval officers. No one can say that a captain will not get the pay of a captain. He will get the pay if you give him the rank. The committee has presented an amendment prohibiting a cap-

tain created by this bill from being placed in charge of a battleship. That was necessary to keep these officers, some of whom have never been on a battleship, from having the legal right as a captain to command on a war vessel. Why does not the committee add to that amendment also they shall not get the pay of a captain?

No; of course the committee will not add such a provision, because it is the purpose of the bill to give the officers herein created the same pay as naval officers.

Mr. BUTLER. Mr. Chairman, I move to strike out the last word, if that is in order, in order that I may ask the gentleman from Georgia a question. He and I agree on most things.

Mr. TRIBBLE. Yes. We did not agree on the plucking board, but we may come together on this, although I believe my friend did vote to knock out the plucking board last week in the Naval Committee. At last, after four years of hard fighting, I can announce to this House that my bill to repeal the plucking board has received favorable action by the committee; only two or three votes for the plucking board when the committee acted.

Mr. BUTLER. We agree on many things, and I want to see if we can not agree on this. I asked the gentleman from Georgia [Mr. ADAMSON], the gentleman's colleague, the meaning of this provision of the proposed law at the top of page 2:

When subject to the Secretary of the Navy in the time of war the expense of the coast guard shall be paid as a part of the Navy Department.

I asked him whether that does not simply mean that they shall be paid along with the other men who are serving in the Navy. It does not in any way increase the pay of this service, does not give them the same pay as regular officers and enlisted men in the Navy have, but it provides that they shall be paid as a part of the Naval Establishment. I understand I am correct about that.

Mr. ADAMSON. That is my understanding.

Mr. BUTLER. The answer of the gentleman from Georgia [Mr. TRIBBLE] was that it is a part of another bill, and that the bill was passed before he came to Congress.

Mr. TRIBBLE. Yes; and if I had been here before it was passed I would have opposed it.

Mr. BUTLER. I do not think the language of this section means to confer permanent grades in the Navy upon any of these men who are mentioned.

Mr. ADAMSON. Mr. Chairman, will the gentleman yield?

Mr. BUTLER. Yes.

Mr. ADAMSON. When I answered the gentleman's question before I did not finish the answer.

Mr. BUTLER. The gentleman has had plenty of time to think it up in the meantime, and I yield to him.

Mr. ADAMSON. Oh, I thought it up long ago. The object of that language in the original law was to prevent that friction which is sometimes found in such profusion in military circles, and to see that each commander of a vessel would keep his own vessel and not be interfered with by the other service.

Mr. BUTLER. That is one of the pieces of patchwork to which I am used, and I know something about that; but that is not the part of the bill to which I directed the gentleman's attention, which says "shall be paid as a part of the Navy Department." I am not used to framing bills, but it seems to me a little awkward and it also struck the attention of the gentleman from Georgia [Mr. TRIBBLE], as well as mine.

Mr. ADAMSON. They are not getting naval pay at all; they are simply paid their salary by the Navy.

The CHAIRMAN. The question is on the committee amendment.

The question was taken, and the committee amendment was agreed to.

The Clerk read as follows:

SEC. 2. That in the coast guard there shall be a captain commandant, senior captains, captains, first lieutenants, second lieutenants, third lieutenants, engineer in chief, captains of engineers, first lieutenants of engineers, second lieutenants of engineers, third lieutenants of engineers and constructors, cadets and cadet engineers, warrant officers, petty officers, and other enlisted men, all of said offices, respectively, corresponding to the present offices of the Revenue-Cutter Service, which are transferred to the coast guard, and all the present incumbents, officers and enlisted men, are also transferred to corresponding positions in the coast guard; a general superintendent, assistant general superintendent, district superintendents, keepers, and surfmen, which offices and positions shall be transferred from the corresponding positions in the existing Life-Saving Service and be made like positions in the coast guard, and all the incumbent officers and surfmen shall be transferred to such corresponding positions in the coast guard, in which the superintendent shall be commissioned as such, keepers shall be warrant officers, and surfmen shall be enlisted men, of which enlisted men the No. 1 surfmen shall be petty officers.

There shall be in the administrative service of the coast guard two chiefs of division, one from each service, to be appointed by the Secretary of the Treasury, with annual salary of \$3,000 each, together with such clerical and technical positions and the incumbents therein

as it may be necessary to transfer from the two existing organizations to the coast guard. There may be such other clerical and technical assistance as may from time to time be authorized by Congress.

Except as herein modified all existing laws relating either to the present Life-Saving Service or the present Revenue-Cutter Service shall remain of force as far as applicable to the coast guard and the offices, positions, operations, and duties shall in all respects be held and construed to impose the same duties upon the positions and their incumbents in the coast guard as are now imposed upon the corresponding positions and incumbents in the said two existing organizations.

All duties now performed by the Revenue-Cutter Service and Life-Saving Service shall continue to be performed by the coast guard, and all such duties, together with all duties that may hereafter be imposed upon the coast guard, shall be administered by the captain commandant, under the direction of the Secretary of the Treasury, and all funds and appropriations now provided by law for the Revenue-Cutter Service and all funds and appropriations now provided by law for the Life-Saving Service shall be available for like purposes under the coast guard hereby created.

The committee amendments were read, as follows:

Page 3, in line 6, amend, by striking out after the word "division" the words "one from each service."

The question was taken, and the amendment was agreed to. The Clerk read as follows:

Amend, on page 3, by inserting after the word "organizations," in line 22, the following: "The provisions of the act entitled, 'An act to regulate enlistments and punishments in the United States Revenue-Cutter Service,' approved May 26, 1906, shall apply to and govern the coast guard."

The question was taken, and the amendment was agreed to.

Mr. SLAYDEN. Mr. Chairman, I would like to ask the gentleman from Georgia, the chairman of the committee, another question or two. Under certain conditions the persons who are incorporated into the coast guard—officials and enlisted men—become a part of the United States Navy, and are paid, as I understand it, out of the Navy fund, at least they are paid by the Navy.

Mr. ADAMSON. They are paid out of the Navy money.

Mr. SLAYDEN. Very well, there is not much difference between money and funds.

Mr. ADAMSON. I misunderstood the gentleman; I thought he meant the Navy pay.

Mr. SLAYDEN. This paragraph provides for captains commandant, senior captains, first lieutenants, second lieutenants, third lieutenants, engineer in chief, and so on. Now, I want to ask the gentleman, Are these officers of the present coast guard now provided by law?

Mr. ADAMSON. Down to the word "guard," line 19, are incorporated all the present officers in the Revenue-Cutter Service.

Mr. SLAYDEN. But not of the coast guard.

Mr. ADAMSON. They are already provided for. After that word then follows an enumeration of all the officers at present in the Life-Saving Service. It enumerates all of them and places all in the coast guard.

Mr. SLAYDEN. Now, are these titles of rank, such as captains and senior captains, first and second lieutenants, and so forth, analogous to the rank that goes by the same name in the Navy, and do they, while serving as part of the Navy, get the same rate of pay as men who have similar title in the Navy?

Mr. ADAMSON. As to those who are now in the Revenue-Cutter Service that is true, but that is already provided for in the existing revenue-cutter law.

Mr. SLAYDEN. Does a captain in the Revenue-Cutter Service get the same pay as a captain in the Navy?

Mr. ADAMSON. My recollection is approximately.

Mr. SLAYDEN. Because he gets about \$5,000 a year, if that is so.

Mr. ADAMSON. I do not remember the exact figures. This law does not change that at all. It is just as it was before.

Mr. SLAYDEN. What I want to find out is if these people get the pay of naval officers and whether they enjoy the pay and rank of officers of the same title in the Navy?

Mr. ADAMSON. I have not the figures now in my mind, but when we improved the efficiency of the Revenue-Cutter Service 10 or 12 years ago I think we left very little difference between them.

Mr. SLAYDEN. My recollection is there was considerable difference, and that a captain of the Revenue-Cutter Service does not get the pay of a captain in the naval service.

Mr. ADAMSON. I will refer that question to the gentleman from Wisconsin [Mr. Esch], if he is on the floor, if he remembers those figures.

Mr. SLAYDEN. As I understand it, a captain in the Navy corresponds to a colonel in the Army.

Mr. ADAMSON. I will ask the gentleman from Wisconsin if he can answer the gentleman from Texas, who desires to know the present salary of officers in the Revenue-Cutter Service. I do not remember the exact figures, but I do not think

there is very much difference between them and the corresponding officers of the Navy.

Mr. ESCH. We sought to assimilate the rank and pay in both services when Congress passed the act of 1902.

Mr. SLAYDEN. Does a captain of the Revenue-Cutter Service get the pay of a captain of the Navy, which is about \$5,000 a year and which corresponds, as the gentleman knows, approximately to those of a colonel in the Army, because if they do you are providing an extraordinary—

Mr. ADAMSON. If the gentleman will permit, down to line 19 and the word "guard" is an enumeration of the Revenue-Cutter officers, those already fixed in the law, and it is not changed. It is only from there down that it is changed, and I know they do not receive the salaries of naval officers.

Mr. STEVENS of Minnesota. Mr. Chairman, if the gentleman will allow me I have the law here and I will read from the act of 1902, section 2:

That the said commissioned officers shall rank as follows: Captains with majors in the Army and lieutenant commanders in the Navy; first lieutenants with captains in the Army and lieutenants in the Navy; second lieutenants with first lieutenants in the Army and lieutenants (junior grade) in the Navy; third lieutenants with second lieutenants in the Army and ensigns in the Navy.

Mr. SLAYDEN. Let me ask my friend: A lieutenant commander in the Navy corresponds with the grade of captain in the Army, does it not?

Mr. STEVENS of Minnesota. I assume a major.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SLAYDEN. Mr. Chairman, I ask unanimous consent for five minutes. I shall not use all of it, but I desire to ask another question.

The CHAIRMAN. There is nothing before the committee. The Chair presumes the gentleman desires to strike out the last word.

Mr. SLAYDEN. I do.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to proceed for five minutes. Is there objection?

Mr. SLAYDEN. The reason I asked the question, I will say to the chairman of the committee, is that this bill specifically provides that the coast guard, which is now not a part of the Navy, shall become a part of the Navy, and under certain circumstances it is to be paid from the naval fund or money, as the chairman calls it. And then it provides for certain titles. Now, those titles when applied to the men in the Navy carry very large pay. At least, some of them do. The captain in the Navy has a very handsome pay, indeed, and ranks with the colonel in the Army. I was puzzled, and I wanted to know of the gentleman whether or not these transfers of the coast guard to the Navy and the transfer of these senior captains and captains, and first, second, and third lieutenants, and so on, when transferred to the Navy, enjoy the pay and privileges of the officers of the Navy with a like title?

Mr. ADAMSON. They are given their titles in the Revenue-Cutter Service law. They do not take the titles of the Navy. It was intended, however, that they be paid out of the Navy funds, which was the word the gentleman used. I did not understand it, or I would not have corrected it. The gentleman from South Dakota [Mr. MARTIN] has just suggested to me that we can clear up the difficulty of the two gentlemen, from Texas and Pennsylvania, by striking out the words "as a part of the Navy Department" and say "by the Navy Department."

Mr. MARTIN. Mr. Chairman, I ask unanimous consent to return to page 2, line 3, for the purpose of offering an amendment to strike out the words "as a part of" in that line, inserting in lieu thereof the word "by."

Mr. SLAYDEN. I think that will improve the bill very much.

The CHAIRMAN. The gentleman from South Dakota asks unanimous consent to return to the first section in order to offer an amendment. Is there objection? [After a pause.] The Chair hears none.

Mr. MARTIN. Mr. Chairman, I move to amend by striking out, on page 2, line 3, the words "as a part of" and inserting the word "by."

The CHAIRMAN. The gentleman offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend, on page 2, line 3, by striking out the words "as a part of" and inserting in lieu thereof the word "by."

Mr. MARTIN. Mr. Chairman, this language has been in the law for some time, but, as I understand, has never been interpreted, and I think there is grave doubt, with this service coming under the Navy direction, that it might be interpreted, if we leave the language "as a part of" that they should receive like compensation. I think, to save any doubt, the amendment should be adopted.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from South Dakota.

The question was taken, and the amendment was agreed to.

Mr. GOOD. Mr. Chairman, I move to strike out the last word.

I am satisfied there is need for some amendment to the law with regard to our Life-Saving Service and also the Revenue-Cutter Service. I am inclined to think the plan to unite the two services is a good one, but this ought to be accomplished without any increase in the cost of the service; in fact, the change ought to lessen the expense. But I have wondered whether or not this bill saves all of the good features of the existing law governing these two services. I would like to inquire of the chairman of the committee whether or not the enactment of this bill into law will permit the use of the vessels engaged in this new service, enlarged as it will be, and the cost of which is increased, for private purposes, or only for public purposes?

Mr. ADAMSON. I do not know what it means, and I do not know whether I heard the expression in church or at the theater. I do not play cards; but I use the expression I have heard somewhere, and say, "I pass."

Mr. GOOD. I would like to ask the gentleman, then, whether Members of Congress can use this service if this bill should become a law? Could they go onto these revenue cutters or these boats and use them for private purposes?

Mr. ADAMSON. Mr. Chairman, if the gentleman from Iowa will excuse me, I do not wish to get into a political discussion on this bill. I want to go ahead with it.

Mr. GOOD. I want to know what the effect of the bill will be, as a matter of fact.

Mr. ADAMSON. If the gentleman really means in good faith to ask that question for information, I will state that the statute on that subject remains unchanged.

Mr. GORDON. It is still illegal.

Mr. GOOD. I will say to the gentleman that some months ago I had a little exchange of ideas with the Secretary of the Treasury on this subject.

Mr. GORDON. And you got the worst of it, too.

Mr. GOOD. No; I did not. The next day after the discussion on this subject had taken place on the floor of the House I received what purported to be a copy of a radiogram sent from the Office of the Secretary of the Treasury of the United States asking the commander of the revenue cutter *Gresham* to take on board young McAdoo, the son of the Secretary, and his party and convey them to the Harvard and Yale boat races at New London, and after they had visited the boat races to then convey them to Mattapoisett, Mass., which was the summer home of the Secretary of the Treasury. I do not vouch for the correctness of this message, but I believe it to be correct. If this bill does not prohibit things of that kind, then by some amendment I think we ought to make it clear that the present Secretary of the Treasury or any Secretary of the Treasury that may follow him, or any other Government official, can not use the vessels in this service for private purposes. No official of the Government should be permitted to turn the vessels employed in this service at great expense to the people into steam yachts for their private comfort and benefit. [Applause.]

Mr. ADAMSON. Mr. Chairman, without passing on the correctness of the gentleman's position or the merits of the controversy between him and the Secretary of the Treasury I beg to state that there is a statute prohibiting the use of these vessels for private purposes. They are to be confined exclusively to public purposes, and that law is expressly made applicable to the coast guard by language in this bill.

Mr. GOOD. The gentleman will recall, though, that the Secretary of the Treasury based his use of the revenue cutter for private purposes on the ground that the Secretaries of the Treasury who occupied the position before him had violated the law.

Mr. ADAMSON. I may have done the gentleman an injustice, and if I did I apologize, because I thought that was a political tilt he was indulging in, and I did not treasure it in my memory very sacredly.

Mr. GOOD. I will say to the gentleman that if this bill does not prohibit for all time to come that sort of practice, I want to offer an amendment that will prohibit it.

Mr. ADAMSON. It prohibits it. I do not know whether for all time to come. A future Congress may repeal it.

Mr. GOOD. I mean as long as the law remains on the statute books?

Mr. ADAMSON. That law is preserved.

Mr. GOOD. Will it be observed?

Mr. TRIBBLE. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. JOHNSON of Kentucky having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Tulley, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

H. R. 19424. An act to extend the time for the completion of the municipal bridge at St. Louis, Mo.

The message also announced that the Senate had disagreed to the amendments of the House of Representatives to the bill (S. 5295) to amend existing legislation providing for the acquisition of a site and the construction of a building thereon for the accommodation of the post office, United States courts, customhouse, and other governmental offices at Honolulu, Territory of Hawaii, and for other purposes, asked a conference with the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. SWANSON, Mr. MARTINE of New Jersey, and Mr. WARREN as the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the amendments of the House of Representatives to bills of the following titles:

S. 4012. An act to increase the limit of cost of the United States public building at Grand Junction, Colo.;

S. 5614. An act for the improvement of the foreign service; and

S. 6309. An act to establish the Rocky Mountain National Park in the State of Colorado, and for other purposes.

TO CREATE THE COAST GUARD.

The committee resumed its session.

The Clerk read as follows:

SEC. 3. That all existing laws affecting rank, pay, and allowance in the present Life-Saving Service and the present Revenue-Cutter Service shall apply to the corresponding positions in the coast guard and the officers and men transferred thereto and their successors. This shall include all laws and regulations which now give to the enlisted men of the existing Revenue-Cutter Service increased pay of \$1 per month for each three years' service, allowances for uniforms, and all other allowances or gratuities due to enlisted men, which are hereby made applicable to the enlisted men of the coast guard who were formerly surfmen in the Life-Saving Service.

The provisions of sections 3, 4, 5, 6, 7, 8, and 9 of the act of April 12, 1902, in so far as they provide for the retirement of officers of the Revenue-Cutter Service, are hereby extended to include commissioned officers, warrant officers, and enlisted men of the coast guard. A commissioned officer, warrant officer, or enlisted man who has served 30 years may, upon suitable application, be retired from active service and receive 75 per cent of the duty pay, salary, and increase of his grade or rating: *Provided*, That such commissioned officer, warrant officer, or enlisted man may be assigned to such duties as he may be able to perform. The commissioned officers, warrant officers, and petty officers of the coast guard shall receive 10 per cent increase of pay for five years of service, such increase not to exceed 40 per cent of the pay of their grade or rating subject to the limitations of existing laws governing longevity pay: *Provided further*, That in computing length of service for any purpose all creditable service in the Army, Navy, Marine Corps, Revenue-Cutter Service, and Life-Saving Service shall be included, counting part of a year as a whole year where stations were operated only part of a year: *And provided further*, That no person shall receive for the same time retired pay and the extra pay allowed under section 7 of the act of May 4, 1882. The provisions of section 3 of the act of March 26, 1908, increasing the efficiency of the personnel of the Life-Saving Service shall apply to the death of any officer, warrant officer, or enlisted man on the active list in the coast guard: *Provided*, That no pension shall be allowed or paid to any commissioned officer, warrant officer, or enlisted man in the coast guard either on the active or retired list.

Mr. ADAMSON. Mr. Chairman, there is a committee amendment.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Amend, page 4, by inserting, after the word "affecting," in line 13, the word "rank."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next amendment.

The Clerk read as follows:

Amend, page 5, by striking out the word "providing," in line 3, and inserting the words "in so far as they provide."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

The CHAIRMAN. The Clerk will report the next one.

The Clerk read as follows:

Amend, page 5, by inserting, after the word "service," in line 20, the words "for any purpose."

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. STEVENS of Minnesota. Mr. Chairman, there are some errors in the bill which should be corrected. On page 4, line 14, the word "allowance" should be plural. I move to add an "s" to the word "allowance."

The CHAIRMAN. Without objection, the correction will be made.

There was no objection.

Mr. STEVENS of Minnesota. Mr. Chairman, I offer an amendment, which I send to the Clerk's desk.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Minnesota [Mr. STEVENS].

The Clerk read as follows:

Amend, page 5, line 8, after the word "years," by striking out the word "may" and inserting, in line 9, before the word "be," the word "may."

Mr. STEVENS of Minnesota. Mr. Chairman, all this does is to take "may" from line 8 and place it before the word "be" in line 9. That makes a better grammatical construction of the sentence, as will be evidenced when the remainder of the section is read.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. STEVENS of Minnesota. Mr. Chairman, I have another amendment.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Minnesota.

The Clerk read as follows:

On page 5, in line 9, after the word "application," insert "and as to commissioned officers, on approval by the Secretary of the Treasury."

Mr. STEVENS of Minnesota. Mr. Chairman, the chairman of the Committee on Military Affairs, for whom we all have such great respect, called the attention of the committee to the fact that the provision in this bill is more liberal as to the retirement of officers in the Revenue-Cutter Service than it is with respect to officers of the Army. Officers of the Army may be retired after 30 years' service upon approval of the President. We in this bill allow them to have the absolute right, upon their own motion, of retirement after 30 years. This amendment provides for the retirement upon application and upon the approval of the Secretary of the Treasury, thereby putting the commissioned officers of the coast guard in exactly the same condition and on the same basis as to retirement with officers of the Army. The retirement of enlisted men is a little more severe in this bill, because they can only retire after 30 years' service, whereas in the Army they may retire after 28 years' service. But this puts the officers of the coast guard on the same basis as to retirement with officers of the Army.

Mr. ADAMSON. We accept that amendment, Mr. Chairman.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. HOWARD. Mr. Chairman, I have an amendment which I wish to offer. On line 8, page 5, after the word "years," add: "Provided, That he shall have attained at that time the age of 60 years." I also offer another amendment in this connection, that, in line 10, page 5, we strike out "seventy-five" and insert "fifty."

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Georgia.

The Clerk read as follows:

Amend, on page 5, by inserting, after the word "years," in line 8, the following: "Provided, That at the time he shall have attained the age of 60 years."

Mr. HOWARD. Mr. Chairman, those are two separate amendments. I desire to address myself briefly to both of those amendments.

Mr. Chairman, there has been throughout the country quite a great deal of criticism of the creation of retired lists in the Army and in the Navy. From my casual investigation of these retired lists I believe that the criticism is justifiable; that a great many men are retired now in the Army and in the Navy who are perfectly capable of rendering to the country efficient service. I believe the retirement privilege is being abused to a larger extent than any other privilege allowed to the ordinary Government employees and those who go to make up the working force of the Government.

Now, Mr. Chairman, the expenditures of the Congress are mounting higher and higher every year. Very recently we have seen brought into this House and passed an urgent revenue measure, wringing out of the people's pockets \$100,000,000 annually. The people in my country and in my section of the

country to-day are disposing of their chief crop at from 2½ to 3½ cents per pound less than it costs to produce it. On the other hand, the foodstuffs that they are compelled to buy are mounting higher and higher every day on account of certain conditions abroad. If there ever was any time in the history of American legislation when a bill of this sort ought not to be in this House, that time is now.

This is not the time to increase the ordinary expenses of this Government \$397,000. As was aptly said by the gentleman from Illinois [Mr. MANN], \$397,000 without a man on this retired list; and the minute that this retired list is created I have no doubt there are 300 or 400 men in this service who, this very day, are waiting, with their mouths watering, for this piece of legislation to be passed so that they may be put as a charge on the Government of the United States because of the fact that they have been in the service 30 years. Thirty years is an arbitrary time. A great many young men now in the service will be perfectly capable of doing a good day's work in that particular class of service that is not so very irksome after they have served 30 years. So far as I am concerned, if this amendment is not adopted I am going to vote against this bill, I do not care who wants it passed. I do not say what I would do if this country was in a condition to stand all of these new-fangled ideas that because a man once gets a Government job he ought to be perpetually on the pay roll of the Government for life. I am looking every day for some man to have the temerity and the unmitigated gall to get up on the floor of this House and offer a bill putting Congressmen on retired pay at three-fourths of their pay—and it would be as meritorious as this bill is. There is no justification for putting these men on three-fourths pay, with their longevity pay and the other perquisites incident to a Government job. Why, people are clamoring all over the country now that the civil-service employees be put on the pension roll, which would mean the spending of all the money that we could raise for an army of men to wring money from the taxpayers of this country while sitting idly by in the shade and watching poor Uncle Rube dig it out of the ground.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOWARD. I ask for three minutes more. I have two amendments, and I will let my speech apply to both of them.

The CHAIRMAN. The gentleman asks unanimous consent that he may proceed for three minutes longer. Is there objection?

Mr. GORDON. I ask that the gentleman's time be extended five minutes.

The CHAIRMAN. The Chair hears no objection, and the gentleman's time is extended three minutes.

Mr. HOWARD. I am very grateful to the committee for giving me this opportunity to say what I am going to say. I say that this is no time to be bringing in these new-fangled retirement bills. Where is the very great necessity for it? Where is the necessity to go down into the pockets of the people of my district, who are already overburdened with taxation, and wring from them \$397,000 additional above any expenditure we have ever had? Show me, if you please, and if you can, where you have saved anything this year in your appropriations. Give me some idea, if you can and if you please, where the annual appropriations for the coming year are going to be reduced. I went all over my district in 1910 and I proclaimed with unctious that the Republican Party was not only spending money outrageously but it was almost bordering on criminal extravagance the way they were spending money, that there could not possibly be any excuse for it; and here we are, charged with a commission from the great people of this country, and supposed to have at least some economic tendencies, trying to go around and dig out of the ground and get hold of some highfaluting fellow to work up some new scheme to get money out of the Public Treasury. Then, after doing that, you propose to saddle these fellows on us, not for a year, not for two years, but as long as they live, at three-fourths pay. I say there is no justification for any such thing. I might stretch my conscience. I might be able—

Mr. CALLAWAY. Will the gentleman yield?

Mr. HOWARD. Yes; I yield to my good friend.

Mr. CALLAWAY. Do you not think that after a man has had hold of the public teat for a number of years and has learned to live in luxurious ease it is an undue hardship to rip him suddenly away from it?

Mr. HOWARD. Yes; it is an undue hardship to rip him away from it. The other day the gentleman from Washington [Mr. BRYAN] was cautioning us over here that the people were going to rip some of us from our little part in this general program, and I happened to admonish him that the people had already choked him off, and that it would not be long probably before some others of us would go.

Mr. MONTAGUE. Will the gentleman from Texas permit me to ask him a question?

Mr. HOWARD. I yield for that purpose.

Mr. MONTAGUE. Does the gentleman think that the men in the Life-Saving Service at \$600 a year, with the great risks that they take, are filling Government positions of luxury and ease?

Mr. CALLAWAY. I hope I will have time to answer.

The CHAIRMAN. The time of the gentleman has expired.

Mr. STEVENS of Minnesota. Mr. Chairman, I think the amendment which I submitted a few moments ago, and the observations I made upon that amendment, practically answer the argument of the gentleman from Georgia [Mr. HOWARD]. The bill now provides for 30 years' service before retirement as to the petty officers and enlisted men. The law now provides for retirement of enlisted men after 28 years' service in the Army. Consequently this bill already provides for two years' longer service in this branch of more dangerous public service than is provided now in the Army. Some of us think that this service is more arduous, more apt to cause physical disability, and to prevent a man being able to do any subsequent work for himself and family than in the Army. If so, the man will already have done his life work, and have exhausted himself for the public good. Some reasonable period should be fixed, so as to satisfy the judgment of reliable, sensible men whom it is desired to retain in the service. The provision in the bill is satisfactory.

Now, as to the age in which a man would probably finish the 30 years. On page 4 of the report of the committee there is an estimate submitted by the department as to the age when men enter the service and when the 30 years would expire. I will read from the text of this report:

Of the 14 keepers, 12 will complete 30 years' service at the average age of 56 years, or, for the 14, an average of a little more than 58 years. Of the 102 surfmen, 90 will have served 30 years at the average age of 58.7 years, and the whole number at the average age of 60.25 years. Taking the keepers and surfmen together, they will be eligible to retirement at the average of 60 years. A tabulation of 326 surfmen who have entered the service during the preceding two years, distributed among the 13 districts, shows the average age at entrance to be 27.7 years—54 per cent were between the ages of 18 and 27 years; 87 per cent under 36 years. This shows a somewhat lower age at entrance than that indicated by the tabulation of the first district, but it is higher by over two years than that shown by a similar tabulation made six years before.

The point is that the amendment of the gentleman is superfluous; that the proper age for retirement and usefulness is practically covered now; that the limit of service of 30 years is longer than other limits of service in similar military departments; and that is the best way and the fairest way to work it out. Some few will gain a year or two and others will be obliged to serve until they are older than 60 years. The average may be slightly less, and it is not well to make an arbitrary age limit, because physical qualifications may require an earlier separation. But the best way, as experience has already indicated, is to fix a flat limit of 30 years' service, and give the men a chance, if there be a chance, although I think there are very few of them.

Mr. HOWARD. That is exactly what my amendment sought to do—to put all the men on an equal footing. The trouble is that none of the men are to be retired unless they attain the age of 60 years.

Mr. STEVENS of Minnesota. Your amendment prevents them from being put on a level, because some, as the report shows, enter at the age of 36, and those men would not be retired until they were 66 years old. The only way they can be put on an equal footing is to require an equal time and length of service, and that is exactly what the bill provides and other branches of the military service provide. The gentleman seeks to put them on an unequal footing, some performing more than others, and that is what we object to.

Mr. BARTLETT. Mr. Chairman, I did not anticipate taking any part in this debate. I served on the Committee on Interstate and Foreign Commerce for quite a number of years. It is the committee that has charge of the matters affecting the Life-Saving Service. I voted for the bill that increased their pay and allowances. I heard the testimony before that committee of the men who came before us who were officers and men engaged in that service.

I am not in favor of pensions for civil employees, nor did I vote for the bill to place the Revenue-Cutter Service under the Navy, where they could draw a pension. I may have been mistaken in that vote, but I propose to vote for this bill, Mr. Chairman. If I err in my convictions at all, I will err in behalf of the people whose duty it is to save life and property and not to destroy it. [Applause.]

"Peace has its victories no less renowned than war," and there are heroes in peace as well as heroes in war. While the

heroes in peace may not wear swords and epaulets, they perform deeds of heroism entitled to be remembered, in my judgment, long after those who perform deeds of daring in war have been forgotten.

I do not cheerfully vote for war measures or war supplies. I have seen the naval bill grow from \$29,000,000 in 1895 to \$150,000,000 now. That is not for the saving of life, but, if occasion arises, to destroy it. I have seen the Army bill grow from \$23,000,000 in 1895 to over \$100,000,000 in time of peace. I have seen the pension roll grow from a little over \$100,000,000 to \$180,000,000—men pensioned not because of wounds and disease, but men pensioned now merely because they enlisted for 90 days and were on the rolls. They are men whose duty it was not to save life but to destroy it.

I have no fears but that my people will approve when I shall go back and tell them that even in the stress of financial trouble that we are in I voted to increase the pensions of servants of the Government to the extent of \$397,000, to men whose duty it was in all stress of weather and storm not to destroy life but to save it. [Applause.]

Mr. Chairman, as I stated, I do not heartily favor pensions in the civil list. I am not prepared to vote for it, and do not think I ever will be; but these men can not speak for themselves. True, they are civil employees, and this bill makes them a part of the Navy. They are men who in storm and all kinds of weather face great dangers, who do not count the life or memory of their loved ones, but go to save the life of anyone, and they are entitled to more consideration than those men who simply work in an office. They are entitled to the same consideration, in my judgment, as the soldier in time of war who risks his life on the field of battle. [Applause.]

Mr. GRAY. Mr. Chairman, I move to strike out the last word. Mr. Chairman, while I am in favor of the principle of the service provided in this bill, I am constrained for other reasons to oppose it. It is true there are some reasons why these men are entitled to even more consideration than the men who enlist in the Army or the Navy. The man who enlists in the Army or the Navy encounters the dangers and hazards of the service in the event of war, but the men in this service perform the dangerous and hazardous undertakings even in time of peace, and by this bill they are made a part of the Army and the Navy, and will assume the same dangers and the same hazardous service as a soldier or a sailor in the time of war. Yet this will not justify the broad policy of retirement provided for in this bill and covering more than those actually performing dangerous and hazardous service and whether actually performing military duty or not.

Mr. Chairman, the militarism of the world to-day is costing the people in the high billions of dollars annually, a sum so vast as to bewilder the human mind—a sum going far to feed all the people of the world, or to clothe all the people of the world, or to house the people of the world, or to educate the people of the world—and this sum is growing annually. Out of every dollar of taxes paid into the Public Treasury of this country it has been estimated we are expending directly and indirectly in time of peace from 65 to 71 cents as a consequence of war and to maintain the military and preparedness for war. And it will continue to grow from year to year.

Mr. Chairman, I am not encouraged to believe it will be possible to stop this increase of the Army and the Navy, by reason of the policy of rivalry dominating the nations to-day. As apparent as is the folly of war, as great as is the reproach upon our civilization, and as exhausting as is the drain upon the resources of the world, all efforts at retrenchment in military expenditures appears useless and unavailing.

The only relief I see from this ever-exhausting drain upon human resources and diversion from the arts of civil life is the employment of the powerful and efficient agencies of the Army and Navy to a service useful to mankind, in transforming the Army into a great engineering department directing operations, constructions, and works, and the Navy into a great department for navigation, world communication, and transportation, in time of peace and for military defense in time of war. The Panama Canal and other great engineering projects are examples of the possibilities of the high organization and efficiency of the Army, and the technical training and scientific knowledge carried to the highest state and perfection in the Navy may be likewise employed on the high seas in time of peace to win even greater glory and renown than in human slaughter in time of war. On this principle and to this extent I am in favor of this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMSON. Mr. Chairman, I ask unanimous consent that debate on this section and all amendments thereto close in five minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MANN. Mr. Chairman, if it were proposed in another bill to increase the salaries of a number of officials of the Government at this time from \$2,200 a year to \$3,080 a year, and at the same time to give to those officials for the first time rent, light, and heat, or commutation of quarters, and somebody should say that that suggestion would be agreed to, the rest of us would feel like falling dead. If somebody proposes to increase the salary of a capable, competent official of the Government, say, \$200 in one of the appropriation bills, we have the blind staggers, and I do not say that we ought to pass it by lightly; but this proposition as to certain officers is to increase their compensation from \$2,200 a year, which it now is, to \$3,080 a year at once, and to give them in addition an allowance for rent, light, and heat. Well, it will go through. What can you expect of a Democratic majority in this House, with a deficit in the Treasury staring us in the face? The gentleman from Indiana [Mr. GRAY] says he looks at the appalling growth of the expenditures, but sees no way to stop it. That is Democracy. They see no way to stop it—they propose to vote to increase it. The growth of expenditures is appalling—every time we talk about it we add to it. [Laughter and applause on the Republican side.] That is Democracy. But when the gentlemen on the Democratic side of the House meet here next December with the stamp tax expiring by limitation of law at the end of the year, and they have either to renew it while it is in operation or provide some other way of raising taxes to meet these extravagant expenditures which we are making, they will not have such a pleasant smile on their faces as some of them have to-day. The stamp-tax act was not so popular, even with the Democrats, after it went into operation as it was when they voted for it, and it is not very popular now with the fellows who are paying it. There are a good many druggists throughout the country who are sticking knives into the Democratic Party because of the stamp-tax law, and when you propose to extend it or to put some other tax in its place next December you will wish you had taken my advice and cut out some of these extravagant increases in salaries and some of these useless appropriations. [Applause on the Republican side.]

Mr. UNDERWOOD. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The Chair will state to the gentleman from Alabama that debate is exhausted on this section and all amendments thereto. The question is on agreeing to the amendment of the gentleman from Georgia.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent to have the amendment again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk reported the amendment, as follows:

On page 5 amend by inserting, after the word "years," in line 8, the following: "Provided, That at that time he shall have attained the age of 60 years."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. HOWARD) there were—ayes 37, noes 48.

Mr. HOWARD. Mr. Chairman, I demand tellers.

Tellers were ordered, and Mr. ADAMSON and Mr. HOWARD were appointed to act as tellers.

The committee again divided; and the tellers reported—ayes 42, noes 63.

So the amendment was rejected.

The CHAIRMAN. The vote now recurs on the second amendment of the gentleman from Georgia, which, without objection, the Clerk will report.

The Clerk read as follows:

Amend, on page 5, by striking out, in line 10, "seventy-five" and inserting "fifty."

Mr. HOWARD. Mr. Chairman, I would like to address myself to this amendment for a moment.

Mr. ADAMSON. Debate has been closed on all amendments.

The CHAIRMAN. That is the understanding of the Chair.

Mr. HOWARD. Mr. Chairman, I did not so understand it. There were two separate and distinct amendments, coming in at two separate and distinct places in the bill, and I did not in my former speech make any explanation of the effect of this amendment.

The CHAIRMAN. The committee, by unanimous consent, closed debate.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that I may proceed for five minutes, to explain this amendment so that we may vote intelligently upon at least one proposition.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to proceed for five minutes. Is there objection?

Mr. ADAMSON. Mr. Chairman, I am willing to divide five minutes with the gentleman.

Mr. HOWARD. Mr. Chairman, I modify my request to that effect. I ask unanimous consent that I may proceed for two minutes and a half and that the gentleman from Georgia [Mr. ADAMSON] may proceed for two minutes and a half.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LINTHICUM. Mr. Chairman, I ask unanimous consent to have the amendment again reported.

The CHAIRMAN. Without objection, the Clerk will again report the amendment.

There was no objection, and the Clerk again reported the amendment.

Mr. HOWARD. Mr. Chairman, this amendment strikes out "seventy-five" and inserts "fifty." It does occur to me that men being retired at the age of 50 upon their own motion, after 30 years of service, ought not to be permitted, and there is nothing in this bill to prevent that. If a young man 20 years of age goes into the service and serves for 30 years, he has the right to make application for retirement at the age of 50 years, and there is nothing to prevent it.

Now, then, he is 50 years old, in full possession of every faculty that God gave him, because a man who is a man is generally in his prime at the age of 50 years. Now, then, may we not set an example that was set the other day by one of the highest ranking officers in the American Army, by receiving from the hands of his Government \$6,000 a year as a retired officer of the Army and accepting a position with a great State at \$10,000 a year, and he is drawing \$16,000 a year to-day, and he is in possession of every faculty with which he was born and could render efficient service to the Government. Yet he is retired. Now, you propose to retire and saddle on the American people a lot of young men in their prime at three-quarters of their pay, counting in longevity pay, and 50 per cent of their original salary received by anybody is enough to at least satisfy the ordinary man with ordinary proclivities for begging, and not ask for 75 per cent, and especially when you increase the salary nearly \$900 a year under the provisions of this bill. Do what you please with this amendment; vote it down if you want to, and, if you can, justify your conduct, as was aptly said by the gentleman from Illinois, in voting nearly \$900 increase, and then vote three-quarters of the pay, counting in longevity pay.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ADAMSON. Mr. Chairman, I have no doubt that officers in this service—and I know it is true in the Army and Navy, where they do not do much in time of peace—may be in working condition after serving 30 years, but when the surfmen go out, when the men in the ranks go out and stand the shocks and exposure of this work for 30 years they are generally physical wrecks. It is already the law in the Revenue-Cutter Service that they are retired at three-quarters pay. This proposition would undo all of that. It is already the law in the Army and Navy that the generals and admirals and rear admirals and front admirals may retire in good health and good looks on three-quarters pay, who have worked and fought gallantly in time of war, it is true, and had a good time in times of peace on shore. Does the gentleman from Georgia [Mr. HOWARD], who is so anxious to please the farmer vote, desire to go back home and say—

Mr. HOWARD rose.

Mr. ADAMSON. I withdraw that remark.

Mr. HOWARD. I desire to say to the gentleman he has got more farmers in his district than I have in mine.

Mr. ADAMSON. And I am for every one of them, and I have farmed with them and worked for them, and am working for them and expect to work for them, and this is to promote a service that is taking care of them—that protects our coasts, that collects the revenue to run the Government, and every farmer in my district will have sense enough to stand up and justify my vote. [Applause.] I do not pander to any mistaken notion of what would be an erroneous idea for popularity. I represent a district of intelligent people, who know that the institutions of the Government must be maintained. [Laughter and applause.] The proposition here is to retire the aristocrats on three-fourths pay, but that the men who work for the country in time of peace and fight for it in time of war shall be cut off

with half rations. I hope and trust the committee will defeat this amendment overwhelmingly.

Mr. TRIBBLE. I understood the gentleman to refer to me as one favoring the retirement of these aristocrats. I have always opposed it, and every man in this House knows it.

Mr. ADAMSON. I withdraw that.

Mr. TRIBBLE. I do not desire the gentleman to withdraw it. [Laughter.] One of the aristocrats the gentleman proposes to retire here is retired on a salary of \$3,000, and I will ask the gentleman if he knows he gets a commutation of quarters at \$1,311.30 and lights—

Mr. ADAMSON. Who is that?

Mr. TRIBBLE. Thirteen hundred and eleven dollars and thirty cents, so the gentleman proposes to retire an aristocrat with \$5,000 a year with commutation and light and fuel and all. The gentleman does not know they get \$1,311.30, commutation, light, and fuel.

Mr. ADAMSON. Mr. Chairman, I would say I do not take stock in what the gentleman states.

Mr. TRIBBLE. I quote from the book; there it is.

The CHAIRMAN. The time of the gentleman has expired. All time has expired.

Mr. HOWARD. Mr. Chairman, I ask unanimous consent that the gentleman may have three minutes more in order to settle this dispute.

Mr. ADAMSON. Mr. Chairman, I am ready for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken, and the Chairman announced the yeas seemed to have it.

Mr. HOWARD. Division, Mr. Chairman.

The committee divided; and there were—yeas 40, noes 75.

So the amendment was rejected.

The Clerk read as follows:

Sec. 4. That hereafter, whenever a vacancy occurs in the grade of keeper of a life-saving station or house of refuge, it shall be filled by promotion and appointment from the grade of surfman, and whenever a vacancy shall occur in the grade of district superintendent the vacancy shall be filled by promotion and appointment from the grade of keeper; *Provided*, That the district superintendents shall be the chief officers and first in authority in their respective districts.

When the organization of the coast guard shall have been perfected the President is authorized to retire the general superintendent on 75 per cent of his present salary, and no further appointment shall be made to such office. At the same time the office of assistant general superintendent shall be abolished.

The Clerk read the following committee amendment:

Page 6, after the word "district," in line 19, insert, "subject to the authority of the captain commandant."

The question was taken, and the amendment was agreed to.

Mr. CALLAWAY. Mr. Chairman, I believe under the five-minute rule I have five minutes. I move to strike out the last word, and in that five minutes I desire to talk about this bill. Mr. Chairman, I see over here on page 5—I got in late on this proposition, because I did not know they really had up a pension question to-day or I would have been here earlier—I have some aversion to the way money is wasted on rivers and harbors, but as compared with my feelings toward the way they spend it on pensions the river and harbor feeling is very gentle, tame, and complacent. Good God Almighty! the way the House goes on, when you get to pensions, about somebody who has had hold of the public teat for some years is absolutely frightful to a man who wants to see this Government live and knows it can not with everybody on the pension rolls. On page 5 this bill says:

A commissioned officer, warrant officer, or enlisted man who has served 30 years may, upon suitable application, be retired from active service and receive 75 per cent of the duty pay, salary, and increase of his grade or rating.

Now, what do these fellows receive? Why, I see a table No. 2, grade, keepers; present pay, \$1,000; retired pay, \$750; after they have served 20 years with longevity increase—40 per cent—\$1,400 a year; retired pay, \$1,050 a year. Mr. Chairman, I come from a territory and have been part and parcel of a people that had to go out, not by the aid of any governmental help, and work out of the soil, and work out of the mines, and work out of the factories, and work out of their business their compensation. And a thousand dollars a year to those men would be a princely salary—and it is an enormous salary. But here is not only a salary of that amount, but they have their care and keep, their clothing, their feeding, their housing, and their warming through the year. And then after they have had this munificent place, according to my experience, according to the daily experience of the voters of this country who have to bear this burden of taxation, after they have been fortunate enough during a lifetime to hold this kind of a job for 30 years, then they go out on a retired salary, after 30 years, of \$1,050 a

year, and go into whatever business they want to go into. And do what? Saddle the burden of paying it on the backs of the men, women, and children in your district and my district, that go through the winter's cold and the summer's heat trying to feed and clothe themselves. These fellows have been clothed and fed through all these years and, in addition to that, they have had this salary, and our people have been struggling to clothe and feed themselves, and delighted if able to do it. How many men and businesses, what is the per cent of them, that come out at the end of their lives with anything saved?

They say these fellows in the public service, in these departments, and in other avenues of the public service have not been able to save anything. I go down here and see them come out of the departments at 4.30 in the evening. Doing what? Going to spend their day's salary. What do your constituents and mine, that have to dig out of the mines or dig out of the ground in agriculture or in stock-raising pursuits, or mercantile business, do? Do they go out and spend their salary at 4.30 in the afternoon? No; they stagger home under the load of their day's work after dark to go to bed.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CALLAWAY. Give me a minute longer.

The CHAIRMAN. The gentleman from Texas [Mr. CALLAWAY] asks unanimous consent for one minute. Is there objection? [After a pause.] The Chair hears none.

Mr. ADAMSON. Mr. Chairman, I would like an agreement for debate on this section. I ask unanimous consent that all debate on this section and amendments thereto close in 20 minutes.

The CHAIRMAN. The gentleman from Georgia [Mr. ADAMSON] asks unanimous consent that all debate upon this section and amendments thereto close in 20 minutes. Is there objection?

Mr. DONOVAN. Reserving the right to object, does that provide for the gentleman from Texas having five minutes?

Mr. ADAMSON. It gives him one minute.

Mr. CALLAWAY. Give me two minutes.

Mr. ADAMSON. I yield two minutes to the gentleman.

The CHAIRMAN. Is there objection to this request? [After a pause.] The Chair hears none. The gentleman from Texas [Mr. CALLAWAY] is recognized for two minutes.

Mr. CALLAWAY. They do not understand that a man can do anything except pander to a prejudice or appeal to the passions for votes. The gentleman from Georgia says his constituents have sense enough to understand the proposition. If the farmers, the miners, the business men, and those generally who earn their bread in the sweat of their faces understood the way this Congress spends money, and they could see these retired officers parading, and they knew the kind of salaries they were drawing and the retired pay that you provided for them, and did not kick you out of office, they would be a set of imbeciles. The gentleman from Georgia [Mr. ADAMSON] says that these fellows who rest in time of peace have these benefits. Why not give them to the men who work? Why does not the gentleman have the courage on the floor of this House to bring in a bill taking the "paw" away from those fellows who are doing the resting? Why add this other bunch also? That is the same argument that is being made in reference to civil-service employees that are knocking at the doors of this Congress now for civil pensions. They are going to get civil pensions if you do not turn back. And when they do get it I am going to move that people from one end of the country to the other, as near as I can move it, that every farmer, every washerwoman, every railroad employee, and every other person who has been bearing the burden of taxation through the years until it has made him flat-footed and bow-legged, shall go on the pension roll, so they will all look alike. You have overworked the soldier-pension business until you have broken the barriers down and all classes are coming in. Heaven save the day!

The CHAIRMAN. The time of the gentleman has expired. The gentleman from Indiana [Mr. GRAY] is recognized for five minutes.

Mr. GRAY. Mr. Chairman, I want to disabuse the apprehensions of my friend from Illinois [Mr. MANN]. I stated in my remarks, or I tried to state, that while I was agreeable with the principle of the dual service provided for in this bill, I was opposed to other policies comprehended by its provisions.

And I am contending for another principle embodied in the bill. I believe that the policy of this Nation should be for defense, and not for aggression, and this service is for defense. It is for these reasons that I support these principles in the bill, but I am opposed to the measure as a whole, and I am therefore constrained to vote against it.

Mr. HOWARD rose.

The CHAIRMAN. The gentleman from Georgia is recognized for five minutes.

Mr. HOWARD. Mr. Chairman, I ask that the Clerk report the amendment that I offered, to which I wish to address myself. It was, in line 22, page 6, to strike out the word "seventy-five" and insert "fifty."

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Amend, page 6, by striking out, in line 22, the word "seventy-five" and inserting "fifty."

Mr. HOWARD. Mr. Chairman and gentlemen of the House, I have offered another amendment, which I presume will meet the same fate as my former amendments to this bill, because these amendments are in the interest of economy. I understand that this officer, whom the President has the power under the provisions of this bill to retire immediately upon the passage of this bill, now receives a salary of \$4,500. His commutation is \$1,080 and his allowance for light and fuel is \$311.30, making a total of \$5,891.30.

Now, Mr. Chairman and gentlemen of the House, my distinguished colleague, Judge ADAMSON, awhile ago referred to the fact that my allusion to the farmers in my former presentation of my views on this question was tainted with demagoguery, and said that he represented an intelligent district and that he could justify his position before his constituents. I hope that my distinguished colleague can justify his position. He should justify his position, because I do not know of an abler Representative in Congress now, or before, or coming hereafter, than my good friend. [Applause.]

I want to say to him that I represent a very intelligent district; in fact, the center of intelligence in the South is in the great city of Atlanta, which I have the great honor to represent. [Applause.] Besides the farming constituency, which is the most intelligent and industrious in the great empire State of the South, we have, in the city of Atlanta, some 6,000 or 7,000 union-labor men. About 2,500 of those good fellows, so I am reliably informed, are to-day walking the streets of the great city of Atlanta looking for work.

Mr. KELLEY of Michigan. Why?

Mr. HOWARD. Oh, why? You know why. [Laughter and applause on the Republican side.] But you have not got the honesty to admit it, or the courage, either.

Mr. JOHNSON of Washington. It is psychological? [Laughter on the Republican side.]

Mr. HOWARD. Oh, let me answer one at a time. You know that you are trying to lay it on the reduction in the tariff, when you have a higher tariff now than you ever had in the history of the Republican Party, to wit, no competition at all. [Applause on the Democratic side.] You know it is attributable to the horrible European conditions, the most horrible in the recorded history of the world; but you are demagoging and trying to lay in on the tariff and a Democratic President. [Renewed applause on the Democratic side.]

But that is merely a side remark. I say that these men are out of work.

It is because everybody is scared to death. And I want to say a word here and now to the American business man. I think they are the weakest-kneed crowd of fellows on the face of God's earth. If the Germans or English had the same opportunities and were surrounded by the same environments that the American manufacturers are surrounded by, they would have money in every pocket and every loom and spindle would be running full time, because they have got the courage to go out and get the business and supply the demand of a clamoring world market.

But that is aside from the subject. I will deliver myself fully on the tariff and other conditions later. Here is what I am driving at: You propose to retire a man who is drawing \$4,500 a year, immediately after the passage of this bill, with three-fourths pay, counting his longevity pay. Now, how many thousands and thousands of citizens are just as worthy as he? Take the volunteer firemen in the great cities. Do you mean to say they do not risk their lives? They do, and yet they do not get a penny, but they risk their lives as often as these fellows you talk about as going out and saving so many lives.

I venture the assertion that many of them in the service never get their feet wet from one year's end to the other, but still you want to put them on the retired list at three-fourths pay. How many men in your district would be delighted to get one-tenth of the pay this man is going to get for doing nothing the balance of his life? I say 50 per cent of the pay he is now receiving would be ample pay for him to receive for the balance of his days for doing nothing. It is a far greater pension than any of the old soldiers who faced the bullets of the Civil War are drawing to-day, because it is considerably over \$3,000 a

year; and I hope, Mr. Chairman, that in this particular case, as this bill provides for the retirement of this particular person immediately after the passage of this bill—although I do not know who he is, and I take it that his present pay is more than sufficient—I hope the bill will not pass.

Mr. FESS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Ohio [Mr. FESS] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. ADAMSON. Mr. Chairman, I yield all of my time except five minutes to the gentleman from North Carolina [Mr. SMALL].

Mr. SMALL. Mr. Chairman, I yield five minutes to the gentleman from Illinois [Mr. FOWLER].

The CHAIRMAN. The gentleman from Illinois [Mr. FOWLER] is recognized for five minutes.

Mr. FOWLER. Mr. Chairman, I would probably have had nothing to say in connection with this bill had not a certain question been raised concerning its report on the floor of this House. That question, Mr. Chairman, is of such vital interest to every decent legislative body that when raised it becomes the duty of every Member of that body to purge from the bill the foul stench of such a question.

The idea that the American Congress has been influenced by a lobby, either for the reporting of a bill in either branch of Congress or for the passage of such a bill, is of such importance that no decent Member can afford to allow such a challenge to go unanswered, and it is the duty of the honorable committee that has reported this bill to purge from it that foul stench surrounding it now on account of the question which has been raised by the minority leader, that it was influenced and brought out here on the floor of this House by a lobby. Mr. Chairman, there is no more serious question that can hang about the public conduct of any official than the charge that he has been influenced by a lobby, because a lobby, under the common acceptance of the term, means a jack pot or its brother. And if the gentleman from Illinois means that either a jack pot or a kindred influence has been brought to bear in order to influence the reporting of this bill upon the floor of this House or its passage herein, it becomes the duty of every Member of this House to see and know whether that charge is true. If it came from some man who was half in jest and who did not have the responsibility of being a leader, then the question might have been passed unnoticed, but when it comes from a man who claims to be a leader of men and of his party, then it becomes his duty to establish every word of the charge, and it becomes the duty of this side of the House to meet that charge and to cleanse this bill of every scent of putrefaction that hangs about it like a buzzard over a carcass. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. SMALL. Mr. Chairman, I wish to address myself very briefly to the amendment offered to this section, to strike out 75 per cent and insert 50 per cent.

The CHAIRMAN. The gentleman is recognized for three minutes.

Mr. SMALL. I think I have five minutes.

The CHAIRMAN. The Chair thinks the gentleman from Georgia agreed to yield two minutes to the gentleman from Texas [Mr. CALLAWAY].

Mr. ADAMSON. No; I added that in the calculation.

The CHAIRMAN. The Chair did not understand it that way; but if the committee did, and if there is no objection, the gentleman will be recognized for five minutes.

Mr. ADAMSON. I was trying to save five minutes for these two gentlemen over here, and so announced.

Mr. MANN. I understood that my friend from Georgia wanted five minutes in which to close on that side.

Mr. ADAMSON. I beg the gentleman's pardon. I distinctly stated that I wanted to reserve five minutes for myself.

Mr. BUTLER. You said you gave it to your friend.

Mr. ADAMSON. But I wanted to reserve five minutes—

The CHAIRMAN. If there be no objection, the gentleman from North Carolina will be recognized for five minutes.

Mr. SMALL. I will ask the Chair to advise me when I have consumed three minutes.

I wish to address myself to the amendment to this section. Presumably the gentleman from Texas [Mr. CALLAWAY] and the gentleman from Georgia [Mr. HOWARD], who tore passion to tatters, were speaking with reference to the proposed retirement of the superintendent of the Life-Saving Service, Mr. Sumner I. Kimball. I favor this retirement provision just as it is contained in this section, and in order that it may be known of all that there is no partisan reason for my favoring Mr. Kimball's retirement except upon merit, I will state to the

gentlemen who do not know it that he is a native of the State of Maine, and I have always understood that in sympathy he was a Republican.

Mr. Kimball deserves well of his country. He was at the head of the Life-Saving Service at its inception. As a man he has the qualities which make for genuine manhood, in character, in sincere devotion to duty, in loyalty to the Government which he represents, and in fostering the service at the head of which he has been general superintendent he is a model of civic virtue.

Mr. ADAMSON. He is 80 years old.

Mr. SMALL. He is now nearly, if not quite, 80 years of age, and in the course of nature this retirement fund can not be enjoyed by him for many years. Mr. Chairman, whatever the Life-Saving Service is to-day, the pride of our country and the pride of the world, in the saving of life and property, is due to the genius and the consecration to duty of Sumner I. Kimball. [Applause.] And if we shall adopt this section, which will authorize the President to retire him, it will demonstrate that at least in this instance one Republic is not ungrateful. I hope the amendment will be defeated. [Applause.]

Mr. STEVENS of New Hampshire. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. STEVENS of New Hampshire. I think I have two minutes, Mr. Chairman.

Mr. SMALL. I asked the Chairman to advise me when I had consumed three minutes. That leaves two minutes to the gentleman from New Hampshire.

The CHAIRMAN. The gentleman from New Hampshire is recognized for two minutes.

Mr. STEVENS of New Hampshire. Mr. Chairman, some of the men who have criticized this bill have created a very false impression. I do not suppose intentionally, as to its effect. To-day officers in the Revenue-Cutter Service have retirement pay, and this bill adds nothing to that expense. The men who would be chiefly affected and benefited by retirement pay are the men in the Life-Saving Service. I want to call the attention of the gentleman from Texas to the fact that these men who, to use his own classical language, "Have been sucking the Government teat in luxury all their lives," have been receiving \$65 a month for 10 months in the year for patrolling the coast of this country. Those are the men who will be chiefly benefited by this legislation.

Mr. CALLAWAY. Will the gentleman yield?

Mr. STEVENS of New Hampshire. Yes.

Mr. CALLAWAY. Do not they get in addition board and clothing?

Mr. STEVENS of New Hampshire. They do not get their board and clothing or other expenses; they are allowed 30 cents a day for food in addition to the \$65 a month.

Mr. CALLAWAY. Do they get anything in the way of clothing and the heating of the house?

Mr. STEVENS of New Hampshire. Nothing; they get 30 cents a day for food and \$65 a month, and they are employed only 10 months in the year and are only paid for those 10 months. That is the Government teat they have been sucking in luxury.

Mr. CALLAWAY. Under this bill they will get clothing and food.

Mr. STEVENS of New Hampshire. They will get something, and I wish it was more, and so would the gentleman from Texas if he knew about the facts of this service.

The CHAIRMAN. The time of the gentleman has expired, and all time has expired.

Mr. HOWARD rose.

The CHAIRMAN. For what purpose does the gentleman from Georgia rise?

Mr. HOWARD. I want to withdraw my amendment on the statement made by the gentleman from North Carolina [Mr. SMALL].

Mr. MANN. The gentleman must ask unanimous consent to withdraw his amendment in Committee of the Whole; he can not withdraw it except by unanimous consent.

Mr. CALLAWAY. And I object to its being withdrawn.

The CHAIRMAN. The gentleman from Texas objects to the withdrawal. The question is on the amendment offered by the gentleman from Georgia.

Mr. HOWARD. Mr. Chairman, I understand under parliamentary procedure that I have the right to withdraw my amendment.

The CHAIRMAN. Not in Committee of the Whole House on the state of the Union. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. CALLAWAY) there were 17 ayes and 65 noes.

So the amendment was lost.

The Clerk read as follows:

Sec. 5. That the captain commandant of the coast guard shall submit to the Secretary of the Treasury, for transmission to Congress, an annual report of the expenditures of the moneys appropriated for the maintenance of the coast guard and of the operations of the coast guard during the year.

Mr. GOOD. Mr. Chairman, I offer the following amendment as a new paragraph.

The Clerk read as follows:

At the end of line 6, page 7, insert a new section as follows:

"Any person using any vessel in the coast guard service for private purposes in violation of law shall upon conviction therefor be fined \$1,000."

Mr. ADAMSON. Mr. Chairman, I reserve a point of order on that.

Mr. GOOD. I want to be heard on the point of order.

Mr. MANN. What is the point of order?

Mr. ADAMSON. That it is not germane to this part of the bill, or to any other part of the bill.

Mr. GOOD. Mr. Chairman, if it is germane to the bill at all, it is germane to this section of the bill providing in the first place that there shall be established in lieu of the existing Revenue-Cutter Service a life-saving service or coast guard. And then, on page 3 of the bill, line 14:

All existing laws relating either to present Life-Saving Service or the present service shall remain in force.

On the 7th of July, 1884, in enacting the sundry civil bill, Congress enacted this law:

And hereafter the revenue cutters shall be used exclusively for public service and in no way for private service.

Mr. ADAMSON. Mr. Chairman, if the gentleman will permit, I have already explained that we have a provision making it illegal to use these vessels for private purposes. I do not think that we will admit that it has been done by adopting this provision, and I will accept the amendment of the gentleman from Iowa and withdraw the point of order.

The CHAIRMAN. The Clerk will again report the amendment.

The Clerk read as follows:

At the end of line 6, page 7, insert a new section, as follows:

"Any person using any vessel in the coast-guard service for private purposes in violation of law shall, upon conviction thereof, be fined \$1,000."

The CHAIRMAN. The question is on the amendment.

The question was taken; and on a division (demanded by Mr. GOOD) there were 47 ayes and 15 noes.

So the amendment was agreed to.

Mr. ADAMSON. Mr. Chairman, the gentleman from Minnesota [Mr. LINDBERGH] desires to be recognized, but unless there is some amendment to be offered to this section I suggest that the next section be read.

Mr. HOWARD. Mr. Chairman, I desire to offer an amendment to section 6.

Mr. ADAMSON. I suggest that the Clerk read section 6.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Sec. 6. That all acts or parts of acts inconsistent herewith are hereby repealed.

Mr. HOWARD. Mr. Chairman, I move to strike out the last word. I desire to make this statement. When I offered the amendment I did a moment ago to section 4 of this bill, to reduce the pay of this officer of whom I knew nothing to 50 per cent of his pay, I did it for the purpose of trying to stop an abuse of putting people upon the retired list when they have no business there; but after I heard the statement of the distinguished gentleman from North Carolina [Mr. SMALL] about the extreme age of this gentleman and his distinguished public service, I thought that as the committee had voted down the other amendment it was only proper that I should withdraw that amendment. I am very glad that I did withdraw it, and I am very glad that the committee voted it down.

Mr. LINDBERGH. Mr. Chairman, I would like to be recognized for 10 minutes, if that is agreeable.

Mr. ADAMSON. Mr. Chairman, we agreed this morning that the gentleman from Minnesota should have 10 minutes.

Mr. MANN. Oh, there was no agreement of that kind.

Mr. ADAMSON. I agreed not to object.

Mr. MANN. The gentleman agreed to yield to him in general debate, but he was not here to get it.

Mr. ADAMSON. I told the gentleman afterwards that I would not object to his having an opportunity under the five-minute rule.

Mr. MANN. But this has nothing to do with the bill, as I understand it, and the gentleman tried to cut me off from talking on the bill to-day.

Mr. ADAMSON. Mr. Chairman, I desired to give the gentleman all he wanted.

Mr. MANN. I had to take what I could get.

Mr. LINDBERGH. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

The CHAIRMAN. The gentleman from Minnesota asks unanimous consent that he may proceed for 10 minutes, out of order. Is there objection?

Mr. CARLIN. Mr. Chairman, reserving the right to object, I would like to know what he is going to talk about.

Mr. LINDBERGH. I am going to discuss a letter that was written concerning me personally on the subject of a resolution I introduced.

Mr. CARLIN. I shall not object.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LINDBERGH. Mr. Chairman, certain false statements have been published about me in my official work. If the false things published were about the particular work I am doing, I would not answer but let the work itself be the answer. But a man of straw was built up, and then they proceeded to burn it. That being the case, my answer will be to show what I was really doing. Since there is not time to give my entire speech on the floor, I wish now to outline some of the particular features of it.

I shall show—

That the bankers monopolize the money and credit of this country and use it to suit their own selfish interests.

That the people place over \$19,000,000,000 of deposits in the banks, on about half of which the banks pay no interest and pay from 2 to 4 per cent on the rest—an average of about 1½ per cent on all their deposits. That this \$19,000,000,000 is really the basis on which the so-called Money Trust operates, which in effect amounts to the people furnishing their own funds to maintain the Money Trust, and that is why the cost of living to the consumer is so high and the return to the producer is so low.

That whenever the "interests" allied with the Money Trust wish to borrow they are given preference over the plain people who wish to borrow, and that the latter are forced to pay the highest rates of interest that the banks can collect, examples of which are being furnished by the foreign loans that are being made and the refusal of the banks to furnish reasonable credit and rates to the plain borrowers in this country.

That under the old banking system the Money Trust banks had a real monopoly because of the conditions they created, as well as the fact that the laws extended to them special privileges, and that they speculated with the use of the people's deposits till they expanded the system to the straining point and then brought on a panic to form the basis for an excuse to obtain from Congress an absolute legal monopoly for the Money Trust.

That in pursuance of that plan they devised a plan for the formation of so-called citizens' and other leagues to educate the public to their way of thinking, and that the final outcome of the campaign they started was that they secured the Federal reserve act, now in incubation.

That that plan was drafted in Wall Street for Wall Street greed by Paul M. Warburg in about 1902 and placed in cold storage till just before the panic of 1907; but even then its real purpose was disclosed only to those in the secret.

I shall show that all along, from 1906 to the present time, the Money Trust forces have adroitly managed the campaign for the building up of this Federal reserve act and putting it into operation, and it will appear that the President selected for the Federal Reserve Board members who have been schooled in the Money Trust system and that a majority of them are pupils of that system.

I shall further show by facts and figures that can not be successfully disputed—in fact, that the conditions themselves already prove—that there is no chance at all for material improvement in the conditions of the plain working people of this country so long as the Federal reserve act, as it now stands, is the only available source from which the finances of the country are operated.

Those who control it can and may bring on temporary activity at different times; but its main effect will be to give employment at the lowest possible wages for subsistence for the workers and to accumulate vast capital for the trusts, on which to increase their "vested rights" to collect a so-called "reasonable return."

I shall show that the only way to get without this most unfortunate condition is to give to all the legitimate industries of this country, when so organized as to make the securities ample, the same privileges that are now exclusively given to the banks. I shall show how the Government should aid in their organization as it has in the organization of the banks.

I shall show that it is absolutely essential to the people of this country, if we are to continue along our present general business ways, to give the people the privilege of depositing, without limit, their funds with the Government in the postal savings banks, and that these funds may be used by the Government to finance the other business interests of the country rather than giving that exclusive power to the banks. I do not advocate the giving of any privilege to any business greater than that which is given to the banks now, and while I do not believe in the present plan, even if it were extended to all the legitimate business without discrimination, I am not discussing any other general plan of finances than that which we have, and my special reason for not doing so is that it seems reforms can only be secured in installments.

I will show that the same old game is being played in the same old way to postpone the consideration of this law, its operation and effect. That is one of the ways that is always used to postpone action when the "special interests" put one over on the people. They wish the people to wait till they have been skinned and the holdings of the "interests" have been heaped up higher and higher, so that when the people finally say "Stop, thief!" by that time their newly acquired wealth will have become "vested rights," and then the courts will come in with a decree enforcing a levy upon the overpatient people for a "reasonable profit" on their new holdings in favor of the "special interests."

The high cost of living to the consumer and the small return to the producer can not both exist at the same time in a well-governed country. Both these conditions do exist in this country at this time, and because of that fact I have used every minute of time that I could spare to discover and point out the reasons for their existence. It happens that in pointing out the principal cause and explaining how it could be remedied I trod upon the toes of the Money Trust. From that time on, as was to be expected, I have met opposition from this source. It has defrayed the expenses of several campaigns made against me in my district. Its agents and that portion of the press which it controls circulate falsehoods about me and try at all times to make me appear ridiculous. They make false reports of how I vote in Congress, and have even had the nerve to cite the record of my acts in Congress, falsely pretending that it showed things of me that are not there.

They are bold to do this, knowing that comparatively few people ever see the Record, and they therefore hope that people will not find out the real facts and catch them at their game.

All this performance of theirs is of no general importance, and I do not mind it. But a recent performance of one who seems overquick on the trigger in defense of the downtrodden trust appeals to me as worthy of a few moments' attention.

On January 6, 1915, I introduced House resolution 696, which I ask unanimous consent to include in my remarks without reading. I also ask that a letter from Mr. Henry B. Joy, of Detroit, Mich., dated January 7, 1915, and addressed to Hon. F. A. Delano, vice governor of the Federal Reserve Board, a copy of which was mailed to each Member of the House, together with my reply thereto, may be inserted in the Record without reading.

My resolution, together with certain articles which appeared in the Chicago Tribune, apparently provoked the outcry from Mr. Henry B. Joy, who is a director of the Federal reserve bank of Chicago. It was mailed by copy to all Members of the House and, I am informed, to Senators, governors, and other State officers, and to banks, bank examiners, business firms, and corporations throughout the Nation, and has been printed in many newspapers. I first received notice of it several days after its date, when a copy came to me through the mail and I replied to it under date of January 13, 1915.

The copy of Mr. Joy's letter was printed on the office stationery of a company whose business it is to manufacture a high-priced automobile. I would like every Member who has not already done so to read this letter very carefully, and see if you can find one word in it of solicitude for the farmer, for the laboring man, or for the consumer of this country. See if you can find anything in it that holds out to the unemployed the promise of a job; anything that looks like lowering the high cost of living. And, while we are on this subject, I want to say that you will not find any of these things in any utterance that has emanated from any member of the Federal Reserve Board that has been appointed by the captain of the Democratic team to preside over the financial destinies of this country.

What does Mr. Joy care for the farmer or the laboring man, for the producer or the consumer? No laboring man, at \$1.50 to \$4 per day, and mighty few farmers are going to invest \$7,500 in one of his cars. I will tell you who is going to invest that amount of money in "Joy" rides, if you want to know. It is

the man who lives without work—the man who wants the rates of interest and dividends kept just as high as possible, in order that he may not be compelled, against the dictates of fashion, to ride this year in last year's model buzz wagon.

Why should Mr. Oh Be Joyful try to prevent me from working effectively for the establishment by this Government of a proper rural credit system, such as has been adopted and put in working order by nearly every other civilized country, and for financial aid to all the industries of the country and to people generally, when their necessity requires and the security offered is acceptable, upon equal terms with the banks? No other reason in the world, except that he is in favor of the discrimination shown by the Federal reserve act, which gives a monopoly of Government credit to the banks controlled by the "Money Trust." There is neither fairness nor zeal for the public interest in those who favor monopoly.

Mr. Joy is a fair sample of the kind of men who, quite generally, have been selected to control the Federal reserve banks. He manufactures an article which only the rich can buy. He need not mind how high interest rates are. The higher, the better for him. Like all great corporations, he simply adds interest, dividends, rents, and profits to the cost of his product, and the people who are rich enough to buy, in their turn, charge the cost of his product up to whatever business they are engaged in, and it is all finally paid by the plain producers and consumers. He says that he has not opposed Messrs. Forgan and Reynolds in any act they have taken with reference to the management of the Chicago reserve bank, and, if so, and if the charges of the Chicago Tribune are true, he supported them in their efforts with the Federal Reserve Board to keep the rates of rediscount so high that the country banks were compelled to do business with the banks they controlled instead of making use of the reserve bank.

It seems to me high time that all the people begin to understand a fact which is inevitably true in the final analysis. It is that all interest, dividends, rents, and profits are nothing more nor less than a tax, falling upon both the producer and the consumer, for the benefit of capital. Whether that tax be high or low is regulated by the prevailing rate of interest. Which, think you, is the worse practice for a Government to engage in—to farm out the Government credit for "vested rights" to make a profit on at the expense of all the people, or to provide a just and equitable protective tariff on imported goods, equal to the difference in cost of manufacture here and abroad, for the benefit of American labor? Can you reduce the high cost of living by adding to the profits of the idle rich, to be consumed by them in riotous living and "joy" rides? Why is it that the President and those he has appointed can see only one way to relieve the distress which the railways complain about, and that is to raise the rates which the railways charge to the people? They say, "We must get higher rates in order to make expenses and pay interest and dividends." Why not fix it so they will have to pay less interest—put them on the same footing, as to Government credit, with the banks—and then they can lower the rates?

Now that the banks have been given unlimited opportunity to avail themselves of the Government credit at low rates, it is my purpose to fight as long as I am able in an endeavor to obtain from that same Government, which belongs rightfully to all the people, the same privileges, on the same terms, for all industries, whether upon the farm or in other work or business, and to the railways also—since whatever interest charges they pay are charged back to the people in cost of service—in order that the excessive tax now levied upon all the people through the medium of usurious interest rates may be lowered to the level of a reasonable burden imposed justly and equitably upon the industrious many. When all kinds of legitimate business have equal opportunity with the banks, then the cost of living to the consumer and the return to the producer will be relatively just and fair. Both will receive the advantages due them.

If there is anything wrong in this; if what I am fighting for has any measure of injustice in it or lack of appreciation for the welfare of the human race; if there is any virtue in the system that has been established, giving to the banks the entire control of the industrial affairs of our country for their sole use and benefit, regardless of the wrongs they may choose to inflict on the rest of us; if there is anything holy in the Federal reserve act or the reserve banks established under it, which renders them so immaculate as to constitute them, as my friend, the director of the Federal reserve bank of Chicago, seems to suggest, immune from criticism, then "On with the dance; let 'Joy' be unconfined."

There was a sinister purpose involved in the wide circulation of this letter. Mr. Joy and those associated with him knew

that I was on the job and would probably expose the purpose of the Federal reserve act more completely than I had been able to do before; that I would be able to show that Congress was deceived in order to get that act and certain amendments to it enacted into law; that it is the most outrageous piece of legislation ever enacted by any legislative body on earth, giving, as it does, the power to one class to enslave and oppress the balance of the people; and that the Underwood Tariff Act, bad as that piece of legislation is, will not do one-hundredth part as much damage as the Federal reserve act will do if allowed to remain in force, unless so amended as to give other industries equal advantages with the banks.

Nothing in my resolution nor any act or word of mine was in any way responsible for the mention in the Joy letter of the gentleman from Virginia [Mr. GLASS]. Every Member of the House has profound respect for the ability and integrity of the able chairman of the committee. If he had not been under constant pressure from the "titular" head of his party and bound and gagged by the caucus, it is my candid opinion that the Federal reserve act would have been a heap better than it is. No more am I responsible in any way for his bringing in the name of the Senator mentioned by Mr. Joy.

That is all I wish to say, Mr. Speaker, about the Joy letter. I had a far more important purpose in arising to address the House, and will now proceed to carry out that purpose.

The high cost of living to the consumer and the small return to the producer can not both exist at the same time in a well-governed country. Those conditions do exist here, and I propose to discuss its principal cause. I shall point out—

That far-seeing speculators have gotten control of the banking and currency system and are raiding the industries and the people of this Nation;

That the principal owners of the stocks in the large banks also own the controlling interest in the trusts;

That the deposits in the banks belonging to the people have been used to form the Money Trust, and by speculators to control the markets while at the same time they have been withheld from those of the people themselves who must borrow unless they pay usurious interest. That by depositing their money in the banks, thus surrendering its control, the people have given the trusts the very means with which they themselves have been robbed; and

That when the people found economic conditions were becoming worse they demanded of the officials whom they had placed in charge of public affairs remedial legislation, but without defining any plan, it having been supposed by them that the officials would do that; that immediately the Money Trust, seeing what was up, framed a plan which would give it greater power than it had ever had before, and that it succeeded in getting its plan enacted into law; that most of the so-called "reform legislation" thus far enacted by this administration is buncombe, and that no existing law or any that is at present contemplated that has any prospect of passage will destroy the root of existing evils.

I propose also to discuss some plans that if followed would really provide a remedy.

THE PUBLIC BEHIND TIME.

Private greed, unobstructed, has appropriated the forests, the valuable minerals, the water powers, the most valuable patents, the transportation systems, and the other most valuable agencies to mankind. It was brought about by the bad banking and currency system. As long as that remains the exclusive means for financial dealings it will be impossible for the masses to succeed. The old politicians did not dare to speak, so greed got the prize and went away with it. But are we to surrender our rights to correct the evils of the present system? Certainly not. Now is the time to fight greed and recover the control as a means of restoring the people to the exercise of their rights.

As I stated in opening, the high cost of living to the consumer and the small return to the producer can not both exist at the same time in a well-governed country. It is because it does exist that a state of uncertainty also exists as to what should be done to correct government, and since nothing tangible has been done to overcome this wrong universal dissatisfaction prevails and manifests itself in many ways in many places. In Europe it has produced war, but war does not solve economic problems. It creates more problems.

IMMENSE WEALTH.

This Nation is vast; so are its resources. The improved inventions and new methods employed cause immensely increased production over what was formerly possible. The increase is so great that under fair management all might have success in the realization of the ideals of life. Formerly wealth consisted mostly in the ownership of land and animals. Now it

consists in the ownership of the tools of production, the means of transportation, and in the control of money and credit. The few who have this control possess the means of levying tribute upon the owners of the land and animals. As many of the people as they require they employ to operate their systems and fix the prices in all cases, so that the toilers receive merely what is required to give them a bare subsistence. Even a small profit off each toiler and each consumer is in the aggregate an enormous sum and gives the few proprietors the wealth with which they control industry. It is not only the accumulation of wealth that burdens the toilers, it is the use of the wealth to control the expenditure of human and mechanical energy, forcing the production of what comparatively few are able to make use of.

PRIVATE CONTROL OF MONEY AND CREDIT.

On June 30, 1914, there was \$1,630,000,000 money in the 26,765 reporting banks and \$1,772,000,000 out amongst the people. Of this last sum a small undetermined amount is held by banks not reporting. The money held by the people outside the banks is paid from person to person and covers probably less than 3 per cent of all business, while the banks handle the rest. On the same date the individual deposits in the reporting banks were \$18,517,732,879—eleven times the actual money held by them. This was before they began to operate under the new system. That is wonderful expansion over the actual cash and shows its credit elasticity.

In 1907 the bankers found that they had stretched the old system to its limit, and as commerce and speculation had developed more rapidly than the banks could sell credit to accommodate, the Money Trust presented a new scheme for further expanding credits, which finally resulted in their getting the Federal reserve act, now incubating.

GOING TO RUIN ON THE BANKING SYSTEM.

The annual cost of operating the Federal Government is several times less than it costs to run the banks. The Government annually appropriates what it proposes to expend and taxes the people for that sum only, and thus it ends. The banks, on the other hand, are run solely for private gain. Not only are the people charged for the cost of operating them, which, including profits, exceeds the entire cost of operating the Federal Government, but in addition the people are forced to pay for building up of enormous fortunes that the owners of the banks acquire from the use of other people's money. At short intervals their profits and dividends are set aside as new capital for the banks and the stockholders, upon which they collect additional dividends and profits. This is repeated one or more times annually, while the Government, on the other hand, collects no dividends or profits.

That explains the difference in the cost of the Government doing business for the public and the cost of the banks doing the public business for the benefit of the banks. The Government charge is for the expenses alone, while the banks' charge, in addition to covering expenses, is for the private fortunes of the bankers.

THE WAY THE BANKS DO IT.

The capital of the banks is approximately \$2,000,000,000. Only a small part of that represents original capital. They usually start with small capital. In addition to the usual dividends, they collect from borrowers annually a surplus, and this has been used to increase the capital and to accumulate surplus of which they have now nearly \$2,000,000,000.

People having money deposit much of it in the banks, because that is now the only convenient place to put it, unless in the postal savings banks, and when they do that the Government turns it over to the banks, so the banks get it anyway. Now, while everybody knows all this, not many of us stop to consider its effect. It gives the banks \$18,517,000,000 of the people's money to use. By including the banks not reporting it is \$19,100,000,000. My figures are taken from the report of the Comptroller of the Currency for June 30, 1914. Upon the most of it they pay no interest. Upon a part of it they pay from 2 per cent to 4 per cent, but pay 4 per cent upon only a small part. It gives the banker that \$18,517,000,000 belonging to the people to speculate with.

No one ever started a bank merely to handle his own money. It is the depositors money the bankers want, and they want it to speculate with. It is not the first year's interest that the banks collect from the people that taxes us the most. Great as that is, it is small when compared with what it becomes after it has been put into business or reloaned and interest and dividends compounded from year to year. From the compounding of interest and profits principally comes the so-called "vested rights," which would, if properly named, be called "privileges to rob."

Legislatures, courts, Congress itself, have established a rule that "vested property" must have a "fair return." But the rule which they have fixed bears no relation with what men and women receive or should receive for their work in creating and conserving this so-called "vested property." The rule that has been fixed compares more with what the different speculators make off their respective schemes for scalping profits from the products of labor. The farmer strives year in and year out, the wageworker toils till he becomes too feeble to work more, but no rule was ever fixed by legislatures or courts, nor by Congress, to give either to the farmer or to the wageworker a fair return for creating the property—the very property to which the "vested-rights" privilege attaches.

If either has controversy regarding what he shall receive, it is settled by fixing the price at what others in his class obtain for the like, which price has been previously fixed by the "privileged class." It bears no relation to the cost of living or its true relative service to mankind.

SO-CALLED "VESTED RIGHTS."

What do vested rights, as now interpreted by Congress, legislatures, and courts, mean? It is that dividends, rents, interest, and profits are recognized as having a superior claim upon the lives of men and women who possess no income property, but must work to get a living. I shall give a table to show how the different rates accumulate in 100 years in order to show what is happening to us because of the accumulated capital of the past, and how much worse fate will befall our children if the same rule continues to be applied. But I wish, for present application, to consider it in another way.

In order that there may be "reasonable" return—and I use the word "reasonable" in the sense of its application in present business practice—under the so-called "vested right" rule, it is claimed that there is approximately \$90,000,000,000, including debts owing by corporations and others, upon which the public is forced to pay interest, dividends, and profits. Including all the ways that are in vogue by means of which the toilers are skinned, it is rather understating than overstating the fact to say that the average rate of profit for the use of capital is 7 per cent above expenses. This nets an annual return to capital of \$6,300,000,000. Including expense the annual cost of use of capital would be well over \$10,000,000,000. Now, while I do not claim that these figures are very nearly accurate, for there is no way of getting the exact amount, I do claim that they are not far out of the way and they fairly demonstrate the principle that I want to make clear. It is this: That the cost to the people of maintaining the so-called "rule of reasonable return" for the use of capital, as it is now applied, means that the toilers upon the farms, in the shops and elsewhere, mental and manual, are forced to pay approximately \$10,000,000,000 annually for that which to them is not bread; in other words, a tax. This is an average of \$100 for every man, woman, and child, and is increasing in exact proportion to the increase of "vested property." If you will examine the table that I will give, you will understand what a calamity it will be to our children to carry this load. It is the working people who are compelled to pay it. It is deducted from their wages, or from the products they sell, if they are farmers or others who do not work for wages. The \$100 average, understand, is for all people in the United States, including children, people without work, and those who can not or will not work. It can not be deducted from their earnings because they have none. Therefore it means that very much more than \$100 must be deducted from the earnings of the actual toilers for the support of "vested capital." That is what the present financial system means to the toilers.

But lest some one may still not understand, let us make the statement in another form. This \$90,000,000,000 owned by just a few persons the courts decree and "society" accepts that when it is employed, as all this is supposed to be, is entitled to a "reasonable" return, which now averages in practice more than 7 per cent above cost of upkeep. There are not to exceed 30,000,000 people who do any work. Not nearly so many as that work full days. The rest are children, people so old that they do not work, or people who live without work; so the burden of keeping up the interest, dividends, and profits falls upon the 30,000,000 directly. The 10 per cent cost for interest, profit, and upkeep is equivalent to a charge of \$300 per annum upon each of the 30,000,000 workers. Thus a man who is paid \$600 a year for his labor or for his farm products and the wife who does the work at home have had as their wages or income \$600, the sum paid the husband, whereas if it were not for the profits to capital it would be \$1,200. But we will say that capital is entitled to a reasonable return, and that is 2 per cent with $1\frac{1}{2}$ per cent more for upkeep, or $3\frac{1}{2}$ per cent. That is about the rate the Government furnishes it to

the banks for. On that basis the husband and wife depending on their work would get \$400 per annum more than they do now.

I have paid during my few adult years more than twice as much interest for borrowed money as the property I own is worth. I would be worth more than twice as much as I am now if I had paid only $3\frac{1}{2}$ per cent interest. Those who owe no debt for borrowed capital are paying interest. It is added to what they must buy to live on and to use. We can not get away from the interest. I can now probably show what the "kernel" in the "nut" on the compound-interest table means.

We have \$90,000,000,000 of debts, which is massed centralized income-producing property owned by the few. The interest is to be paid by all who work. Including profit on speculation as well as legitimate income, the people undoubtedly pay the equivalent of 10 per cent annually upon this huge sum. If this were to be compounded annually, as to some extent is done, it would double itself in eight years and amount to an additional income-producing hoard of \$90,000,000,000. In 16 years it would amount to \$180,000,000,000, in 24 years to \$360,000,000,000, and in 32 years to \$720,000,000,000. This impossible sum represents a capitalization greater than all the property in the world is worth. It represents, however, the toll that would be levied, if it were possible to endure it, upon toil under the principles laid down by the courts of this country with the acquiescence of Congress and the State legislatures.

The only reason that income-producing capital does not or has not attained these huge proportions is that a portion of the debt is being constantly liquidated by failures to pay and bankruptcies, and by the toilers depriving themselves of many of the necessities of life in a vain endeavor to keep pace with the enormous accumulations of greed. But even though it does not pile up with the celerity that would be produced by complete compounding, it does increase at a much faster rate than can be met by the forces of production, and unless something be done by Congress and the legislatures to remedy the drain on production widespread bankruptcy will, and must be, the inevitable result. How long will this thing go on? That question may only be answered by the further question, How much can the people endure? But this ought not to be. There ought to be enough patriotism and statesmanship in the White House and in Congress to grapple with and solve this problem in the very near future and thus avert the catastrophe that is impending over this country. Of one thing I am absolutely sure—there can be no material reduction in the cost of living so long as this condition exists. There may be temporary prosperity as compared with present conditions, but it will be only temporary, and will be used to forge more strongly the bonds that already sink into the flesh of the helpless masses of mankind to press down more cruelly upon the brow of labor this "crown of thorns."

RESERVE DEPOSITS.

The \$18,517,000,000 individual deposits does not include the banks' deposits with each other and in reserve banks. There are billions of these deposits also. If they were made principally for exchange purposes, they would serve a need, but they serve the purposes of speculation principally. It was these reserve deposits, together with the savings of life insurance holders and the deposits of wage workers and others living in the large cities, that formed the "nest egg" for greedy speculators. They employed them to form the "Money Trust" and buy up the best of the forests, the valuable minerals, the useful patents, the railways, and other properties. Therefore it is seen that the effect of the people placing \$18,517,000,000 in the banks and the use of the reserves by the "Money Trust" banks was to let the speculators get it to secure a control of the commodities and the instruments of service that the people must be supplied from. That accounts for the high cost of living to the consumer and the small return to the actual producer, which could not be if the people did not themselves aid by the very system that I am describing.

New York City alone got reserve deposits from other places, sums that grew from \$94,394,210 in September, 1898, to \$451,050,573 in September, 1911, and kept it climbing, which is one item alone in only one city. The system was cleverly devised to give the "Money Trust" the use of the people's deposits, for one thing, but in another way it served the "Money Trust" a still greater purpose, because it deprived the people of the use of their own money to finance business for themselves. Therefore the trusts had no competitors.

Originally the bankers themselves were less interested in speculation, and this is true of many of the country bankers still. But the great city speculators discovered that they would have it their own way if they owned the banks, because then they

would control the people's savings left in them. It was then that the principal speculators, the big stockholders and officers in corporations, started new banks and bought controlling interests in many of the old reserve city banks. These banks not only got the city people's deposits, but the country banks also gave them a part of their deposits. Thus the speculators obtained complete control of finances, which no power on earth can wrest from them except the Government, and it can do that only by giving aid to the farmers, the industrial and transportation systems, and others when properly organized, and by direct Government loans to them.

Now, the ones to make the fight for this are the farmers, the laboring people, and all others who earn their living principally from their manual and mental work. As long as the corporations are backed up by legislatures and by Congress and supported by court decrees in charging all their expenses, including interest and the dividends, as well as the water in the stocks, to the people by increasing the price of the goods they sell and the services they render, just that long they do not care to lower the cost of living and will be tied to the Money Trust. Instead, they send their attorneys to the Government commissions, and the railway presidents and bankers will call on the President of the United States, as they did lately to get the passenger and freight rates increased, and it will be granted and charged to the people, as they were.

THE BANKS MADE USE OF THEIR OPPORTUNITIES.

By using the people's deposits and discounting their future earnings the banks built up an arbitrary credit system more than eleven times greater than the money they hold, and as much of that as they do not use for themselves and their allied interests they loan at usury rates. But they used the people's credit and money so rapidly in the formation of trusts and for entering into speculation generally that it soon became absorbed to such an extent that honest business enterprises were left without sufficient support.

Bank deposits are supplied generally from the plain people, among which are those in ordinary business, but still the plain borrowers were not given an even chance with the speculators to secure credit. It was then that honest business and plain people demanded more money and credit, but they offered no plan for a remedy. They believed that Congress would make a plan. This was just what the Money Trust had been waiting for, because it had expanded and manipulated watered stock and bond operations and carried on other schemes to the limit that the old system would bear. Now, they wished more, but would have to find some excuse for asking it.

This was at a time when the country had produced the best crops and natural conditions were right for great prosperity, but to take advantage of this the Money Trust planned the panic of 1907. It was made the excuse to present a plan to Congress to give the money kings the additional power they wished. Of course, the public was made to believe it was a plan in its interest. In 1908 they secured the act that paved the way for later acts, which would not only give them greater control in the United States, but would also give them a world-wide field for speculation. The Money Trust was and still is the invisible government, possessing greater and greater power as the years succeed each other.

At the same time the trust agents raised a large sum of money to secure the formation of so-called "citizens' leagues" in most of the States. Secretly it was managed to get officers in control of them who would serve the trusts, and as pay for their service they were given high positions in the new Federal reserve system and in other places. Only such literature was used and speakers sent out as the trusts had secretly provided. To give color to the pretense that the leagues were nonpartisan and at the same time had no private greed to serve, the source of their principal support was kept from public knowledge, and citizens with the best of intentions were induced to join, not knowing the sinister motives of the promoters.

Mr. James Laurence Laughlin is a professor in Chicago University, an institution endowed by Rockefeller with near \$50,000,000. I believe the professors there are supposed by Mr. Rockefeller to teach the students to think as he wishes them to think. Mr. Laughlin was given a year's vacation to work for a new banking system. A newspaper was also published and lecturers sent out for the same purpose. Prof. Laughlin was an unwilling witness in the Money Trust inquiry. He testified that the Mortgage & Trust Co., of New York City, alone gave \$1,036 to the fund. Here is an expense account which Prof. Laughlin swore to, showing how money was used to influence public sentiment and to get the people to work for the Money Trust and against themselves.

NATIONAL CITIZENS' LEAGUE FOR THE PROMOTION OF A SOUND BANKING SYSTEM.

[Total disbursements, June 1, 1911–May 25, 1912.]

Salaries:	
Chicago office (including seven speakers)-----	\$58,736.29
New York office-----	43,729.45
Traveling and lectures-----	13,399.21
State organizations (including salaries, postage, traveling, rent, clerk hire, etc.)-----	50,547.94
Printing (including book Banking Reform, fortnightly Journal Banking Reform, pamphlets, etc.)-----	16,915.36
Rent-----	3,200.00
Furniture and fixtures-----	2,373.37
Postage and freight and express charges-----	4,121.52
Press clippings, books, and periodicals, etc-----	1,333.20
Telephone, telegrams, laundry, water, light, etc-----	763.11
Sundries-----	89.70
Working funds-----	14,088.60

There is much more, not only of what Prof. Laughlin swore to of this account, for that does not show all that was expended. The funds to campaign for the adoption of this bill were raised by the big banks and trusts. Prof. Laughlin wrote a book for the very purpose of deceiving the people into believing that the so-called "citizens' leagues" were inspired to have it done in the interest of the public, when in fact it was intended to educate the people as Wall Street wanted them to be educated. Since the passage of the Federal reserve act they have gotten very bold and defiant. Now they have the "bird in hand which is worth two in the bush," and they do not need so-called "citizens' leagues." A notable instance, which is but one among hundreds, is the new book written and published by C. W. Barron, who also publishes the Wall Street Journal for Wall Street. This new book attempts to educate the people to submit to the Federal reserve act, and remain the bonded slaves of the greedy. Of course, it does not do so in the terms that I express it, for I speak of the effect. Prof. Laughlin's testimony is on pages 96 to 106 of the Money Trust Investigation Reports. They fooled the country and got what they asked, to wit:

THE FEDERAL RESERVE ACT.

Congress was again deceived, and extended to the banks a greater gift than they themselves expected; but, just the same, they worked for and accepted it and grumbled because they were not given more. The Money Trust made it appear that the banks opposed it, and because of certain promises the President made many people supported it. Very few knew that it was designed to serve the speculators only. It was purposely made to appear that it was forced upon the banks, whereas all the time the Money Trust bankers were secretly working for it, and it was practically, though not entirely, as they wished it. The people have already learned that they were trapped by this Federal reserve act. The vise is tightening.

SPRINGING THE TRAP.

This Federal reserve act deprived the banks of no material advantage secured to them by the old system for which it did not immensely overcompensate them by new and special privileges; nor did it confer any benefit whatever upon the people. It permits the banks to loan approximately \$500,000,000 which heretofore was held in their vaults as reserve for the protection of depositors. Another huge sum will be added to this when State banks become members. It makes the Federal reserve banks, which are solely banks for banks, fiscal agents for the United States; that is, they are to receive and disburse the Treasury funds. I call attention to this feature, for it is quite certain that they will be used as the Government fiscal agents, because the act authorizes it, and we have seen how ready this administration is to surrender everything to the banks.

The President has frankly admitted in his Indianapolis speech and on other occasions that politics sway him, and even went so far as to claim that his party might be played as a college "team" plays football or baseball; and, should the exigencies of politics require, no one knows how much more he will be ready to yield to the Money Trust banks, who are the captains of his Federal reserve bank team. The situation is all the more unfortunate in view of the fact that the President too often does not claim to act as the President of the United States, but only as the "titular" head of a party, and the bedrock fact of grave importance is that he does not even act as the head of that party, but only as leader of its bosses who have usurped control and are operating to defeat the real purposes of the honest Democratic voters.

This nefarious act has opened the door to give the administration a pull on the banks for campaign funds and for other favors by offering as a bait the money in the Treasury to be used for the bankers' private gain, and when they have once secured the Treasury funds and they have been absorbed in speculation, then, by a threat to withdraw suddenly, the banks are at the mercy of the politicians in power. On the other hand,

the bankers may use it as a club over the administration in times of stress. This they did last fall, when they had \$75,000,000 of Treasury funds. They made the President appeal to Congress for an act to levy a war tax on the people when we had no war, and now we have the ridiculous farce of paying a war tax in times of peace, not for any war of our own, past or present, but in order to let the bankers continue their speculation with the \$75,000,000 Treasury funds while the European war goes on.

How much worse it will be when the several hundred millions of dollars in the Treasury is turned over to the banks. Oh, for a President of the United States instead of a "titular" head to preside over the destinies of an oligarchy for the distribution of political patronage. What an opportunity President Wilson had! But, oh, what a rank injustice he perpetrated when, with whip and spur, supplemented by gag caucus rule, he got the Federal reserve act passed for the benefit of the Money Trust.

The Federal reserve act expressly favors the banks to the public detriment; but greater than all of the gifts for the banks that appear in the express terms of the act are the advantages that accrue to the Money Trust banks by reason of the intimate knowledge that they obtain from facts forced from the other member banks when they apply to their respective Federal reserve banks for rediscount. With the official facts thus obtained, the Money Trust is enabled to discount conditions far in advance of public knowledge and thus gouge the people by their speculations. It was for this purpose and one other, neither of which appeared on the face of the act, that the Money Trust made supreme efforts to secure the passage of the Federal reserve act.

The other unexpressed but secret purpose secured by the act was to give the Money Trust banks and their allied interests the fullest freedom, without danger to themselves, to exploit the people not only of America but of the entire world, which the Federal reserve act permits, and reinforces them with a guaranty that if they should miscalculate and become so deeply entangled in speculation as to be unable to extricate themselves, then the Government would be forced to aid them.

It was because of these two unexpressed and secret purposes that the Money Trust banks seek to conserve the credit of the United States exclusively for the use of their Federal reserve banks. Because of that, and for other selfish reasons, they oppose Government aid to a farmers' rural-credit system, and likewise oppose any plan that would give Government aid directly to a credit system for financing railways and other industrial institutions.

The Money Trust managers and their agents in a majority of cases were selected to control the Federal Reserve Board and the 12 Federal reserve banks, and because of their mutuality of interest they form a natural as well as a legalized trust. Because of the peculiar provisions of the act the country banks with \$25,000 capital and upward and the banks in large cities with more than \$200,000 capital are forced to become a part of this trust, and those with less capital are to be squeezed to death.

The people's deposits in the banks are absolutely under the control of the banks. The banks, at their own option, may or may not contract or expand loans and currency by forcing borrowers in the one case to pay, and in the other by freely extending loans and making use of the Government to supply funds to them to loan.

The President in creating the Federal Reserve Board appointed men who had been educated by the Money Trust system, believed in it, and knew no other. The Federal reserve act gives a power to the Federal reserve banks that makes the Government impotent to protect the people until further legislation shall be had. It is not within the power of President Wilson to repair the damage to the Nation that he has brought upon it by championing this Federal reserve act, and by selecting a Federal Reserve Board the individual members of which a majority have been educated to believe as the Money Trust operators believe; that is, that they have a right to the exclusive control of the finances of the country and of the world, and in its administration to secure the greatest possible private gain and when in trouble to come to the Government for help.

PERSONNEL OF THE FEDERAL RESERVE BOARD.

We must be perfectly fair in this consideration, as well as in all others. In my opinion the President has betrayed the Nation in the selection of the members of the Federal Reserve Board, yet I do not question that the members of the board intended to do what in their opinion is right. But as previously suggested, they were educated in a false system and believe in a plan that makes success for the masses impossible and a plan which is principally to blame for the high cost of living to the consumer and the small return to the producer. It stands between the producer and the consumer, robbing them both.

Take the case of Paul M. Warburg. He is not only a member of the Federal Reserve Board, but I believe he absolutely dominates it. That is not because of lack of intelligence, ability, or character in the other members. It is because of the peculiar relations held by Mr. Warburg to the great Money Trust interests, whose influence dominates the new system. That influence is represented by Mr. Warburg in the training that he underwent from childhood up to taking his place on the Federal Reserve Board. It controls him absolutely, as does the religion of any devoted member to a particular church, and as the southern planter had been trained from childhood up to believe that slavery was right and just. I respect Mr. Warburg as a man of extraordinary ability, and with intentions to do what he believes in, and therefore very dangerous to the people. The fault is with the system for which the man stands and not with the man himself.

Who is Mr. Warburg? That is best explained by his own statement printed in a Senate report, on pages 1 and 2, made August 1, 1914, before the Senate Banking and Currency Committee. That statement, parts of which I shall read, shows the kind of man the President has selected to take a most prominent part in the domination of the people's finances. Mr. Warburg's statement shows that he was the scion of a great banking house in Hamburg, Germany, trained in Hamburg, London, and Paris. He came to this country, married a daughter of a member of the firm of Kuhn, Loeb & Co., of New York, and became a partner in this firm, engaged in international banking, and found by a committee of this House to be a constituent part of the Money Trust.

During the past 50 years it has been the business of such firms as Kuhn, Loeb & Co., J. P. Morgan & Co., Lee, Higginson & Co., Kidder, Peabody & Co., and a large number of firms and bankers which all together make up the Money Trust, and of whom the ones named are only the leaders; I repeat, it has been their business to make and market stocks and securities of American railways and industrial corporations. At this trade they have worked industriously, so industriously, in fact, that when, in 1907, they began to take stock of what they had done they found that an overfeast of "melons" had been cut—that is, watered stocks and securities issued and distributed—so great that the world could scarcely digest it. It was the late Mr. Morgan who correctly described the situation when he named the cause of the 1907 panic "undigested securities."

Quantities of those securities had been sold abroad by the Money Trust firms. It has been currently stated that the sales to foreigners were approximately \$6,000,000,000, but several times that amount had been worked off in one way and another on our own people.

Corporations having good credit, wherever these Money Trust firms could obtain control, were plunged into debt and waterlogged to purchase securities of other corporations having little or no credit. Any excuse and no excuse was alike sufficient to pile up debt for the American people, ultimately, to pay. They discounted the future, gambling on the boundless production, enormous natural resources and expanding necessities of the Nation which, though still in its beginning, had a population of 90,000,000 souls. Mr. Warburg, as appears by his statement to the Senate committee, was a partner in a firm, one of those promoters. But there was one thing that this set of promoters failed to discount, and that was their rapacious greed to stack up and profit by their stock and security issues. Mr. Warburg said in his statement that there was competition among these people, and I believe him, for it plainly appears that each was trying to make and market more watered stocks and securities than the other. None of them seemed to think of the future, therefore the future was overdiscounted.

THE FOREIGNERS.

These Money Trust firms must keep the field for foreign speculation open. That was a part of their game, and finally a time came when the farther-sighted of them awoke to the fact that they must save the foreign branch of their trade and give the foreigners protection from loss because of the overdiscount. It was not necessary to sit down and figure out with a pencil to those fellows that if the holders of \$6,000,000,000 securities abroad should get scared and demand payment at once there was not money enough to stand the drain, and certain bankruptcy would ensue. They knew that and they knew their own danger if it occurred.

BUT WHAT WAS TO BE DONE?

The Money Trust firms had the idea well fixed in their heads. It was the credit of the Government that must be invoked. They knew that nothing else was strong enough to weather a storm such as the unloading of \$6,000,000,000 securities would bring. So they figured to get the right to use the Government credit in

order that a storm might be averted. Right here the idea of the Federal reserve act had its birth. Paul M. Warburg in his statement said he originated the idea. It was matured and fostered by him for the speculators. He is the father of the Federal reserve act.

All Members should read Mr. Warburg's statement made before the Senate committee. It may be hard to get it, because not many were printed. If it had been testimony to show the poor how to cook scraps of meat that the rich would not eat, a thousand copies for each Member of Congress would have been printed for his constituency. But this important document, which would show that the President had named a "Money Trust" man to dominate the Federal Reserve Board—a board which will hold the destinies of this Nation in its fist as long as the Federal reserve act controls our finances—this important document, I assert, is hard to get. There are 99 closely printed pages in the document that contains Warburg's statement. I take time to quote only a few of his answers to the chairman and other members of the Senate Banking and Currency Committee. He said, page 4:

When I came here—

Meaning to this country—

I was at once impressed with the lack of system by the old-fashioned nature of the system that prevailed here, and I got immediately into one of those periods of high interest rates, where call money went up to 85 and 100 per cent, and I wrote an article on the subject then and there for my own benefit * * * and I kept that article till the end of 1906, shortly before the panic.

Members will please notice the time, and remember that the panic of 1907 was brought on by the speculators in order to force Congress to enact the kind of currency legislation they desired.

THE MAN AND THE PLAN HAD ARRIVED.

Mr. Warburg was the man, and it was his plan, framed to serve the great "Money Trust" coterie of firms. Remember also that the same old gang, in the same old way, ever since, whenever they have wanted something, have been frightening the President and Congress with a threat of a panic.

In 1908, when the first emergency currency act was passed, I stated to this House facts which Mr. Warburg's statement to the Senate committee corroborates. I have reiterated it in my speeches every year since, in the hope that Members would awaken to the danger that this country is in. But never before had I any such direct evidence that Wall Street was drafting the bills for Congress to pass. I knew that it had done so, because many of the important bills passed by Congress were framed in the interest of the "Money Trust." They could not be drawn in the form that they appeared except under the direction of Wall Street agents. But to get back to Mr. Warburg's statement. Page 4, he went on to say:

I kept that article till the end of 1906, shortly before the panic, when those conditions arose again, when one newspaper wanted for the issue, at the end of the year, an article dealing with the conditions in our country. Then I took that article, touched it up again, and brought it up to date; and it was the first article of mine that was published. It was called "Defects and needs of our banking system."

You see Mr. Warburg was educated in Europe's high financial circles, in the Old World, where the masses live in poverty. He had never associated with the real producers of Europe, nor had he associated with those of America. He knew what the defects and needs of our banking system were, so far as they did not suit the big speculators. He knew that as soon as he came here.

Is it any wonder that Mr. Warburg saw the thing from the standpoint of one whose duty and purpose it was to protect his foreign investors? After he had stated that it was needless to issue more notes and that the most important thing was to get a liquid form of commercial paper and cease decentralizing reserves, he went on, page 5:

That was, however, the first time that I know of that the question of the discount system and the concentration of reserves was really brought out, and I got a great many encouraging letters asking me to go on and explain my ideas.

Mr. Warburg stated that after that he was quite active in writing pamphlets and articles in newspapers and magazines and delivering lectures explaining his idea. To impress upon the Senate committee how important it is that Congress hastens to obey the beck and nod of Wall Street, he said, page 5, in connection with the extended emergency currency bill that had just been passed:

And if you had not had prompt action last night, I think we would be in a very dangerous situation.

This was the day after the Senate passed the bill. Bear in mind that Mr. Warburg had been named by the President for a position on the Federal Reserve Board, and that for a long time he refused to allow the Senate to question him; but Wall Street needed this man on the Federal Reserve Board, so finally, when the Senate refused to confirm him without his answering

the questions, expediency made him submit to the indignity, as I suppose he thought it to be, of allowing the Senate to find out something of his past.

It might occur to some whose minds are not unduly impressed with the idea that it is necessary for this country to lend its public credit to make good to domestic and foreign holders the watered securities which the "Money Trust" had printed and sold to them that we might just as well have a panic first as last, in order to squeeze the water out of these securities in order to save the people paying interest on them, and also to get them down to a bedrock basis of actual value, instead of deferring the time of settlement until these men had an opportunity to make and market more under a guaranty of the United States, which will be the ultimate effect of the Federal reserve act if it is allowed to stand. But I will hasten on.

I am now showing the part played by Mr. Warburg in securing the adoption of his plan in the Federal reserve act passed by this Congress under whip and spur applied by President Wilson. Excusing the banks for that especial feature of the "Money Trust," the system of interlocking directorates, Mr. Warburg said in his statement, page 33:

While I do not agree with the conclusions of the Pujo committee—I think they are vastly exaggerated—still I do not believe in the system which we had, which was a decentralized banking system, which was disconnected throughout because we had no Federal reserve system, no central-bank system, no discount houses, and we had no branch houses as they have in Europe. Consequently, in order to have some kind of self-protection, the banks had to do this; they had, on account of the lack in our system of cooperation, to find some cooperation by which they could protect themselves in cases of emergency and also exchange views about the commercial credit situation.

Now that we have a Federal Reserve System, they have worked out a plan to exchange views about the commercial credit situation by compelling every bank applying for a rediscount at a regional reserve bank to answer, in writing, many questions in regard to the business and credit situation in that community in general and of the bank itself and of the makers of the paper offered in particular.

Mr. Warburg, as was to be expected, early attracted the attention of ex-Senator Aldrich, who was at the head of the Monetary Commission. In this connection the Senate report shows that Mr. Warburg had the following colloquy with Senator BRISTOW, page 78:

Senator BRISTOW. Were you connected with the Monetary Commission?

Mr. WARBURG. No; not directly. The only connection I had with it was that I was asked to write a pamphlet on the discount system of Europe, with which you are familiar, which I did.

Senator BRISTOW. Yes. Were you consulted in regard to the report of the Monetary Commission in any way?

Mr. WARBURG. Yes. Senator Aldrich consulted with me about details and I gave my advice freely.

Senator BRISTOW. And in regard to the bill which was prepared by Senator Aldrich in connection with the commission, were you consulted in regard to that?

Mr. WARBURG. Yes. Senator BRISTOW. Yes. What part did you have in the preparation of that bill, directly or indirectly?

Mr. WARBURG. Well, only that I gave the best advice that I could give.

Senator BRISTOW. Yes. Mr. WARBURG. Very frankly, and I did not agree with all parts of it either.

Senator BRISTOW. What did you think of the bill as a whole?

Mr. WARBURG. I think, on the whole, the bill proceeded on fundamentally sound principles.

Senator BRISTOW. Yes. Mr. WARBURG. As far as the idea of centralizing reserves and of creating discount markets was concerned. That is the same principle that our present—or rather, it is the same object that our present bill achieves. I did not quite agree with the construction of it; but on the whole, so far as the fundamental ideas are concerned, I thought it was a good bill.

Senator BRISTOW. Yes. Do you think it was a better bill than the present law?

Mr. WARBURG. No; I do not. In some respects I may prefer some features of that, and in other respects I think this is a better one.

Now, for the purpose of emphasis, I want to interpolate right here this thought: That it is now well known that the Money Trust was active through the public press in promoting the Aldrich plan, while they made it appear that they were opposed to the present law right up to the time of its passage. Knowing the affiliations of Mr. Warburg and his activity in promoting this sort of legislation, does it not look as though the pretended hostility of the Money Trust banks to the enactment of the present law was a play to the galleries? The colloquy continues on pages 78 and 79:

Senator BRISTOW. What are the fundamental differences between the two?

Mr. WARBURG. Well, the Aldrich bill brings the whole system into 1 unit while this deals with 12 units and unites them again into the Federal Reserve Board. It is a little bit complicated, which objection, however, can be overcome in an administrative way.

Please note, my Democratic friends, how this representative of the "Money Trust," appointed by your President to the Federal Reserve Board, proposes to nullify a provision of an

act of Congress which you passed and have advertised to the country as a distinct improvement of the Aldrich plan, made by your party. In the following language he went on to show how he will do that—page 79:

And in that respect I freely criticized the bill before it was passed. I think that this present law has the advantage of dealing with the entire country and giving them different rates of discount, whereas as Senator Aldrich's bill was drawn it would have been very difficult to do that, as it provided for one uniform rate for the whole country, which I thought was rather a mistake.

Note that Mr. Warburg thought it would be a mistake to have a uniform rate of interest all over this country. Why discriminate? Can you see any good reason why Minnesota or any other State should not have the same advantages of access to the public credit as New York, or why the farmers should not obtain Government currency as cheaply as the speculators of Wall Street? Watch the discount rates that have already been established by the Reserve Board and to be established in the future. It will show the discrimination, varying from time to time and place to place to meet the conditions framed by the "Money Trust" and in its interest.

I repeat Mr. Warburg's statement, that "it is a little bit complicated, which objection, however, can be overcome in an administrative way." The Federal Reserve Board is at it "in an administrative way" now, and has been for several months. Last fall the Federal Reserve Board, through the influence of Mr. Warburg, induced the Senate to pass a bill to compel the banks to keep all their lawful money reserve in the Federal reserve banks. In that form the bill came to the House Banking and Currency Committee, of which I am a member. The House committee amended the bill to make it optional with the banks for a period of 36 months. I made an adverse report to the bill, as follows:

Mr. LINDBERGH submitted the following minority views [to accompany S. 6505]:

To that paragraph of the bill relating to the Secretary of the Treasury being authorized to provide a system of clearances I concur with the majority members of the committee in recommending its being enacted into law; but I can not join with the committee in recommending that the member banks of the Federal reserve banks be authorized to remove from their own vaults any portion of reserves now required of them to be kept in their vaults. I was first to suggest in our original committee meetings the reduction of the reserves required to be kept. That reduction was adopted, I supposed, in the interest of the localities where deposits are made. But this amendment proposes to let the banks remove all the reserves from their vaults. It is admitted to be the purpose, practically stated by Mr. Warburg, a member of the Federal Reserve Board, that all the lawful money be taken from the country generally and placed in the 12 Federal reserve banks. He stated to the committee, with reference to the proposed amendment, that, if adopted, "with the pressure we could place upon them, it would be done."

I took down that statement and later asked Mr. Warburg what he meant by "the pressure we could place upon them." His answer indicated that, through the Federal Reserve Board, pressure would be brought to bear on the banks which would practically force them to remove the lawful money from their own vaults and place it in their Federal reserve banks. While the banks themselves own the Federal reserve banks and would profit thereby, I do not believe that the smaller country banks would be so disloyal to their localities as to take all the lawful money of their depositors and centralize it into the 12 Federal reserve cities.

I was opposed to the original bill. I know that many Members voted for it under protest, but I doubt that these would have voted for it if the bill then had given to the Federal reserve banks all the lawful money. Of course, anyone owning any money that is in circulation can get it redeemed. Any bank will accommodate its customers, and also courteously exchange it for others than customers, as things now are, but if the bank would be required to ship currency to the reserve centers and have these ship back lawful money, it would incur expense. The people may not generally observe whether they have lawful money or not, as long as it all passes at par, but if they find out, as they will and have a right to, that the money left to circulate among them is not the best, you may find that they will seek the best for the very purpose of hoarding. If the Federal reserve banks are going to set the example of hoarding the lawful money, not even the bankers could "peep" if the people followed the example.

Congress has given to the bankers the exclusive privilege to inflate the currency several billion dollars. Nearly one and one-half billions of dollars are granted to them in the act of August 4 last. If this amendment is passed, allowing the banks to be put in a position where the Federal Reserve Board can "with the pressure" it "could place upon them," force all the lawful money into the Federal reserve banks, they will be able to secure from Uncle Sam the issue of still more bank currency. What would happen if the whole system were to break down? Who would get the lawful money? Do you think it would be the plain people, who have no time to study the different kinds of money? Would they be the first to get into the vaults of the reserve banks, which belong to the other banks? No answer is needed. We all know who would get it.

The very purpose of accumulating all this lawful money in the central banks is to make it the basis for further inflation of credit for one thing, and another to enable certain speculators to pluck a prize that will be ready when the readjustment from the effect of the European war begins. This is the credit that the bankers sell, and is in effect backed by Uncle Sam. The plans are laid to sell that credit to an enormous extent in order to reap interest returns from the borrowers to enrich the professional speculators. We are approaching the limit—the falling-off place. It is utterly impossible to keep the pace. Practically all of us will suffer when the break comes. If it should come while the European war is on, the interests, as well as those responsible for this kind of legislation, will have the good fortune of being able to make the war the goat. But in reality the only thing the war has to do with it is to hasten the day of reckoning. No country can long withstand this

drain upon the general population caused by centralized wealth through this process of pyramiding credits on which to collect interest, and in payment seize the products of the toilers. After the war there will be a readjustment of world-wide influence. The New York bankers and their affiliated interests everywhere are preparing to make a "ten-strike" in that readjustment. They wish to use the capital of the country—that is, the people's deposits—to accomplish that. That is the purpose of their pressing for this amendment. They want to gather all of the lawful money into their 12 reserve banks. They want the kind of money they can use to buy out the Europeans, and make the enormous profits that will result. That capital may be used by the speculators to make us pay dividends and profits on. It will be just that much more to offset against the labor of the toiling millions—the "reasonable profits," as the courts term it. These people figure far in advance; so in anticipation of the great rake-off that they hope to secure in the near future, they now seek to centralize the aggregate deposits of the lawful money belonging to the people in order that it may be within their control when the prize is ready for plucking. If it were merely a question between our speculators and foreign speculators, we might prefer the success of our own, but why permit them to gather in all of the people's lawful money to make the speculation on? The move to secure this amendment was not originated by the bankers generally, but was started by the large speculative interests who control the largest banks.

C. A. LINDBERGH.

The above was my minority report. Fortunately, later, the other members of the committee abandoned their report, and the House killed the bill. But the important thing about it is that the "Federal Reserve Board," as Mr. Warburg says, intends to overcome some of the real purposes of the Federal reserve act, as most of the Members of the Senate and House understood it.

I quote further from the colloquy between Mr. Warburg and Senator Bristow, page 79:

Senator BRISTOW. That is, you can charge a higher rate of interest in one section of the country, under the present law, than you charge in another section, while under the Aldrich plan it would have been a uniform rate?

Mr. WARBURG. That is correct.

Senator BRISTOW. In that respect you think the present law is superior, do you?

Mr. WARBURG. In that respect I think this law is superior.

Senator BRISTOW. And the centralization of the control in the Aldrich bill was more desirable than under this law?

Mr. WARBURG. Well, I will not say quite that. I think the Aldrich bill made a mistake in centralizing the control too much in the hands of the bankers themselves and gave the Government too little influence in that.

Now, that was a clever way to put it, and doubtless Mr. Warburg was perfectly innocent in stating it that way. Under the Aldrich plan there would have been no opportunity for the President to appoint Mr. Warburg on a Federal Reserve Board. Much as that plan would have given to the Money Trust, it did not have this one objectionable feature; that is, of giving an opportunity or allowing an administration that could be manipulated or bulldozed by threat of panic to show favoritism to that section of the country which could do most harm to the party by sandbagging business or do most good for the "titular" head and political generals of an oligarchy of office seekers calling themselves a political party by way of campaign funds.

Again quoting the colloquy, still on page 79:

Mr. WARBURG. While the system that I had planned provided for a mixed administration, checking one thing up by the other.

Note this remark—"While the system I had planned." This was Mr. Warburg, of Kuhn, Loeb & Co., a constituent firm of the Money Trust. He planned the "Federal reserve act." How do you like it, my Democratic friends? Most of you were led to believe that it was the plan of your "titular" head, who pressed you for its passage. But to resume the colloquy:

Senator BRISTOW. Now, what are the weaknesses of the present law that you think can be overcome by administrative agencies?

Mr. WARBURG. Well, the weakness is that, of course, the Federal Reserve Board has got to have very large powers in order to overcome the decentralization.

He is alluding, remember, to that feature of the present law which you Democratic leaders and your "titular" head claimed as the distinctive advantage of your law over the Aldrich plan. Mr. Warburg is going to overcome that. He goes on, in the statement before the Senate committee:

The Federal Reserve Board must bring about cooperation. I think with a good Federal Reserve Board that is possible. With a strong Federal Reserve Board, and leaving myself out of consideration entirely, I believe we are getting one. . . . But what I had in mind was that in the future there might be conditions where you might get the wrong kind of men into the Federal Reserve Board, and then, of course, it would be very difficult.

Here Mr. Warburg sees danger. Danger from his viewpoint. Fancy, if you please, the distress that would ensue to the associates and backers of Mr. Warburg upon the election of a President who would serve all of the people of the United States. That is, be President of the United States as contrasted with being the "titular" President of a party, one who would appoint a Federal Reserve Board, for instance, having at heart the best interests of the farmers, laboring men, and consumers of the country and not the money lenders alone, one who could not be influenced by threats of panic or considerations of patron-

age and the "frying of fat" for campaign funds. But I resume the colloquy, page 79:

Senator BRISTOW. You think by administration that you could so organize the present system as to make it conform to the desirable features of the Aldrich bill so far as centralization and control are concerned?

Mr. WARBURG. I think so.

Now, in the light of this testimony, again I ask my Democratic friends to review what has been done already by the Federal Reserve Board and see if Mr. Warburg is not playing hob with your decentralizing provision, just as he intended to do and said he could do. He has defeated the one provision in your act that you bragged most about.

Mr. Warburg claims he made great sacrifices of a personal nature to accept a position on the Federal Reserve Board. On this point he says, in the Senate report, in a colloquy with Senator Reed, pages 55 and 56:

Senator REED. If you are going to sever your banking connections and break them all off, it must be at a tremendous financial sacrifice?

Mr. WARBURG. A sacrifice; yes; I think it will be a bigger sacrifice than any of these gentlemen around the table has any idea of.

Senator REED. Well, may I ask what your motive is or your reason for making that sacrifice?

Mr. WARBURG. My motive is that I have, as you know, taken a keen interest in this monetary reform since I have been in this country. I have had the success which comes to few people—of starting an idea and starting it so that the whole country has taken it up and it has taken some tangible form. . . .

When President Wilson asked me whether I would take this thing and put it up to me in a very kind way and asked whether I was willing to make the sacrifice, because he thought I was the man for it, I felt that I had no right to decline it, and I will be very glad to make the sacrifice, because I think there is a wonderful opportunity for bringing a great piece of constructive work into successful operation, and it appeals to me to do that.

It is worthy of note that, while Mr. Warburg came to this country and engaged permanently in business here as a partner of Kuhn, Loeb & Co. in 1902, he did not make up his mind to become an American citizen until just about the time it was found that his services would be of material importance in an official way in connection with the Money Trust plan to obtain control of the public credit for the benefit of all his clients and their partners and associates.

He took out his first papers in 1908, and his second, or full citizens papers in 1911. In answer to a question of Senator BRISTOW as to why he waited so long, he said this, after stating that he reluctantly concluded to sever his former allegiance to Germany (p. 77):

Mr. WARBURG. I may add this: That a thing which had a great deal of influence on my making up my mind to remain in this country and work here and become a part and parcel of this country, was that monetary reform work, because I felt I had a distinct duty to perform here; and I thought I could do that; and in fact I have been working on it since 1906 or 1907.

And, by virtue of the present administration, he is working on that duty right now, and some of the effects of the working out of his duty to the foreign customers of the Money Trust are becoming frightfully apparent in the complaints that are pouring in from all over the country from banks and business men in regard to the abuses which they now plainly see were the inevitable effect of the passage of that bill and its administration by a board dominated by a man who does not hesitate to say to a committee of the Senate that, with a proper board of associates, it will be both feasible and desirable to nullify the provisions of an act of Congress by an adroit application of its administrative features. All this and much more of material interest is given in the Senate report.

The United States issues currency exclusively to the Federal reserve banks, and the banks which own the Federal reserve banks have the exclusive privilege of getting it from them. To these the borrowing people must go, on bended knee, in suppliant submission, to obtain credit and pay high rates of interest for the use of what they—that is, the Government—create and which is made good by the product from the daily toil of the people. Furthermore the very paper they sign to show their debt to the banks is pledged as security to the Government. The banks, which furnish nothing, take the profits. Those officeholders responsible for that condition have a terrible thing to answer for.

The individual who would manage his own affairs that way would find himself under guardianship—unfit to manage his own business, but the chains of bondage to the banks have been fastened upon the people by this act of Congress, urged to do it by the President.

Is it any wonder that the high cost of living is appalling to all who live by honest industry? The currency and credit system is the most important of all the agencies of trade, but Congress and the President made a present of it to the banks, and the people will remain in abject bondage until a remedy is provided.

The "special interests" supported by this false system, may inaugurate a brief period of busy days, and thereby enable those who earn their living by daily toil to get a little more work and secure the small fraction of their earnings that is left after the banks and speculators have taken out their expenses, interest, dividends, and profits.

This act gives the banks a remedy against panics, but the people have no remedy against poverty.

George M. Reynolds, the greatest banker in Chicago, and as great as any in the world, and the man who said that less than a dozen men—he one of them—control the finances of the country, published in October, 1914, over his signature, this:

The new Federal reserve banks, one of which will be established in this city, are banks for banks. By which I mean that banks only which are members of the Federal reserve association can deposit or do business with these banks. Individuals can not, therefore, either deposit or borrow money direct from them. * * * The plan as covered by the law is not calculated to lower the normal or reasonable rates which have heretofore prevailed, but, rather, it is expected that the new system will stabilize rates through giving to the banks an ability to rediscount their customer's paper, and thereby giving to the public the assurance that credit to the extent of all reasonable requirements will be obtainable.

G. M. REYNOLDS,

President Continental and Commercial National Bank.

Thus a man of the highest authority in banking circles, and now a director of the Chicago Federal reserve bank, published to the world that "the plan as covered by the law is not calculated to lower the nominal or reasonable rates which have heretofore prevailed." Take particular notice of the clause "which have heretofore prevailed." Thus it appears that the people will have to go on paying the interest rates that have been driving them to poverty. This new Federal reserve act makes it practical for the banks to tax the people hundreds of millions of dollars annually more than they have done heretofore. Is it any wonder that Secretary Bryan would say, it having been reported that he said it, that it was the greatest gift ever presented to the banks? In fact, it is the greatest gift that ever was made to greed. The act established and legalized the most gigantic trust on earth, such as the Sherman Antitrust Act would dissolve if Congress had not by this act expressly created what by that act it prohibited.

The voters in the Democratic Party, I do not believe, would knowingly sanction the action of the leaders in Congress and the President for placing the finances of the Nation and of the people in the hands of greedy private speculators. And when I so express it I do not distinguish between the selfishness of a banker and the selfishness of others, for I recognize that whoever is in business, if he follows the usual practice and expects to succeed, will take all the profits that he can get. But it is because of that universal practice, which it seems that all observers ought to know, that the President and Congress are culpably to blame. That these leaders meant to give them this privilege appears to have been their intention, for in the selection of the Federal Reserve Board the President selected one member from a firm which, according to the Money Trust investigators, selected by the Democratic leaders, was one of the five that controlled the "Money Trust," and had, by a system of manipulations, and was shown to have exercised his power to the injury of the country. The President also attempted to select another of the same kind, but this one the leaders in the Senate could not get their colleagues to join them in confirming. The Federal Reserve Board is dominated by men who believe that the banks have a right to charge the rates that are driving the people to bankruptcy.

This administration has given the banks the greatest of all special privileges, to wit:

(a) The exclusive privilege of securing from the Government over a billion dollars emergency currency, of which they have already used \$369,558,040, paying 3 per cent and collecting from the borrowers from 6 to 10 per cent.

(b) Permits the banks to keep \$75,000,000 to \$80,000,000 of the United States funds at 2 per cent, they loaning it at 6 and 10 per cent, while the administration "team" levies a war tax when we are at peace, thus permitting the banks to retain that money and make a new tax collection instead of making the banks pay.

(c) Permits the national banks (Sept. 12, 1914) to loan for their own exclusive profit \$464,919,076 additional deposits belonging to the people, which will be supplemented by another large sum when the State banks become a part of the "team."

(d) Gave the banks a clutch on the United States Treasury by making them the fiscal agent of the Government, thus permitting the banks to loan the Treasury funds for their own private gain.

(e) Created a new United States currency to be loaned exclusively to the banks, and takes as security the obligations of those who borrow from the banks.

(f) Permits the establishment of banks in foreign lands, thus involving danger, not only to the United States Treasury, but to the people's deposits in the banks as well.

These are but a few of the many gifts made by the administration to the banks. The rest of the alphabet could be exhausted in naming others, and still this administration pretends to be acting in the interest of the people. Whether knowingly or not, this administration in providing the new Federal reserve act has betrayed the people beyond the possibility of words to describe its awful ultimate influence in subjecting them to the domination of the Money Trust.

It is not what the Federal reserve act upon its face gives to the banks that will draw most heavily upon the people, but it is what incidentally follows, for it might be called trifling compared with the wrong that will be perpetrated by greedy speculators on the outside because of information they secure from the inside.

This act welded the banks into a gigantic trust. The fact that there are 12 districts does not keep the information secured by any of them from the officials of the other 11, as we have already observed. They are sure to learn, for human nature has undergone no radical change because of the Federal reserve act. The members of the Federal Reserve Board were tied to the Money Trust. They were all in a business the success of which depended on the Money Trust. The same is true of most of the members on the Federal reserve bank boards. Does anyone think they will speculate no more? Certainly, no one thinks that.

No one can finance any enterprise without its being open to the scrutiny of one or the other of these boards, and known to them all, if important. This set of men will have knowledge of the business affairs of all the people and an advantage over them. Those who have such information take advantage of it. It will make Morgans and Rockefellers of those on the inside. Consider this enormous indirect advantage, and at the same time realize that the banking system will soon have approximately \$25,000,000,000 of the people's money and credit under its control, with the privilege of loaning it or withholding it, as they like, and for what they loan receive not less than 6 per cent, which alone will cost the people billions of dollars. These billions, however, will be less by far than what the speculators clear off the people because of using information which they secure from the banking business.

Compounding profits by the banks and speculators is eating out the vitals of the people. One bank alone in New York City paid back to its stockholders 172 times its capital in 50 years. Besides it paid enormous salaries to its principal officials.

All this, of course, came from the people. But in the 50 years there was more made in speculation on the outside by those who controlled that bank than they made directly from the bank's profits. It was through the information that they got in the bank, because of the bank finding out the business of its customers, that this could be done. Now, when all the banks are joined it will be still worse.

Let us carry the calculation of the way people are robbed to the farmer for an illustration. In 1880 a certain farmer in Morrison County, Minn., my home, borrowed \$600 upon his 160-acre farm. He renewed the mortgage for \$900 in 1885; renewed again for \$1,200 in 1893; renewed again for \$2,000 in 1898; paid all the time annually 10 per cent. In 1903 he renewed again for \$3,000 at 8 per cent. In 1912 he renewed for \$3,500 at 6 per cent. Each time except the last he paid bonuses in addition to the interest, and every time paid the expenses of recording and drawing new papers. Several times, in order to pay the interest, he borrowed money on chattel mortgages, and this sometimes cost him at the rate of 24 per cent. What would become of the farmers of the country in 100 years at even 6 per cent and up to 24 per cent is shown by a table of compound interest on \$1 for that period. It is as follows:

Compound interest on \$1 for 100 years.

6 per cent amounts to.....	\$340
8 per cent amounts to.....	2,303
10 per cent amounts to.....	13,808
12 per cent amounts to.....	84,075
14 per cent amounts to.....	15,145,007
18 per cent amounts to.....	2,551,798,404

The money loaners have not had 100 years under full sway against our own farmers, but they have been getting down to it effectively in the last 50 years.

Since 1880 the Morrison County man to whom I referred has paid \$5,200 in interest for the use of the money borrowed on his farm, and, in addition, bonuses, recording, and extra interest on chattel mortgages, given in order to get the money, which he said amounted to about \$2,000, making his expense and interest cost more than \$7,000.

But this does not represent the total loss to the community, for the different sums which he paid the lender reinvested. Assuming that they were compounded annually at the rates mentioned, the lender got \$14,182 interest alone, which does not take into account the other expenses.

This sum which I named was the draft upon one man only, now living in my home town. He and his sister both have until lately lived upon the farm; dragged their lives in toil to keep the farm going on the mortgage; but finally gave up the struggle and sold it for a little margin, that will not support them for five years. There were, on an average, probably 3,000 cases of that character in my county alone. The people of that county have undoubtedly paid \$15,000,000 in interest on money borrowed on farms and homes in excess of what would have been required if a proper rural credit system had been operated with the aid of the Government. It means that if there had been, the people of my county would be worth \$15,000,000 more than they now are, or an average of \$600 for every man, woman, and child. The county itself paid 10 per cent annually for 30 years upon \$30,000 and frequently borrowed money to pay the interest, and at the end of 30 years borrowed money at a lower rate to pay the principal. There never was a time that there was any doubt that the county was abundantly good and certain to pay.

One of the northern counties in my district is paying 6 per cent on several hundred thousand dollars now, and is at the present time unable to sell its 6 per cent bonds. That county is absolutely good and could pay ten times all of its obligations, and the unfortunate thing of it is that under the present system of semiannual compounding of interest by the banks that county is likely to pay ten times its present debt, even if it never borrows another dollar except to pay on its present promises with the interest. And I refer now only to the public indebtedness of that county. The farmers, small business men, and workingmen, borrowing on their homes, most of them up there and in several of the other counties pay 10 per cent, and frequently a bonus in addition. But the boundless natural resources there, together with the activity and thrift of the people, enable them to do this and still be quite prosperous. But the mere fact that they can do what would be impossible in most places does not justify the Government granting to the banks the monopoly which enables them to force this burden upon those people.

From nearly every State I am getting letters from farmers and small business men saying that they are unable to borrow money except at very high rates of interest, from 6 to 10 per cent, and that in many places can not get it at any price. In connection with that, let me call attention to what the Money Trust is doing with the people's deposits that are in the banks and the \$75,000,000 belonging to the Treasury of the United States which President Wilson had Congress vote a war tax on the people in order that he might let the Money Trust banks keep it at 2 per cent. I want you to notice the 2 per cent rate of interest, because I shall never let up in this fight till the farmers and other legitimate business get aid from the Government at the same rates that the bankers do. Now, I repeat, I wish to call attention to what the Money Trust is doing with all this money. The press has been publishing, from time to time, what is happening with some parts of it. I give you the following, taken from one of the New York City dailies, as one of the examples of it:

RUSSIA GETS LOAN OF \$12,000,000 IN UNITED STATES—MORGAN AND OTHER BANKERS NEGOTIATE ARRANGEMENT WITH PETROGRAD GOVERNMENT.

PETROGRAD, January 13.

A group of New York bankers, including J. P. Morgan & Co., have agreed to loan the Russian Government \$12,000,000, according to an official announcement made here to-day.

This amount is subject to draft by Russia at one, two, or three months at $4\frac{1}{2}$ per cent, with a half of 1 per cent additional for acceptance.

Prominent Petrograd bankers say that this is a forerunner of further credits to be extended Russia by American financiers.

The president of an important Petrograd bank has left for New York, where he expects to confer with financiers and Government officials with the idea of perfecting Russian exchange facilities.

NEW YORK, January 13.

J. P. Morgan & Co. confirmed to-day the dispatches from Petrograd in respect to a loan to the Russian Government by stating that a group of New York banks and bankers had made a "purely banking" arrangement with Russia by undertaking to accept short-term drafts of the Russian Government.

It is understood that the National City Bank is one of the members of this group.

Other cases of the same character could be cited if I had the time.

What can the people think of the President of the United States, who has boasted of the Federal reserve act, which gives the worst monopoly on earth to a set of Money Trust banks

who are loaning in foreign lands for war purposes while our own people can not obtain loans at near as low rates?

What show have the farmers, small business men, those wishing to buy homes, and other plain people in this plan? They furnish, so to speak, all the oil to run the whole business, but themselves are left without. What show, I repeat, have they in this plan?

The President said in a message to Congress that the farmers did not ask and should not have financial aid from the Government, and in another message in this session reasserted his position in that respect. But the President did not need to advise Congress what his position was in that respect, for every act of his shows that he will not, till forced by the people, use his influence to get Government aid for the farmers and other legitimate business. Even if they force it, if they do not get on the job themselves to see that the act is properly shaped, the President will give them a plan to be controlled by the Federal Reserve Board, made up of men who believe in the Money Trust rule.

In this connection it is worthy of note that in a careful perusal of 98 pages of Mr. Warburg's statement before the Senate committee I find no word showing how the Federal reserve act could be used in any way for the benefit of the farmer, laboring man, manufacturer, or anybody except the bankers and money lenders. The bankers and money lenders are to use it to widen the gap in the price that the consumer pays and the producer receives. But what about the other members of the Federal Reserve Board, also selected by the President? How do they stack up toward the plain people and what care have they for the toilers?

HERE THEY ARE.

William G. McAdoo, Secretary of the Treasury. He was admitted to the bar. Removed to New York City, 1902. Was president and director of the Hudson & Manhattan Railway Co. He completed the first tunnel under the Hudson River in 1904 in New York City and built other tunnels later. Several hundred million dollars was required to do that.

John Skelton Williams, Comptroller of the Currency. He was the organizer of the Seaboard Air Line Railway from 1899 till 1904; president of the Trust Co., section of American Bankers' Association, in 1901; organizer and president of several banks and trust companies. His confirmation by the Senate as Comptroller of the Currency was fought by every progressive Member of the Senate.

Charles S. Hamlin, practiced law in Boston in 1886. Assistant Secretary of the Treasury 1893 to 1897 and in 1913. Also an author of several financial pamphlets and a digest.

Frederick A. Delano, manager at Chicago of the Burlington & Quincy Railway from 1901 to 1905. President of Wabash Railway 1905 to 1911 and one of the receivers. President Monon Route (Railway) 1913. Trustee of the Chicago University (a Rockefeller institution).

William P. G. Harding, a banker and director of several small railways, and so forth.

Adolph C. Miller, an economist. Professor at Harvard 1890 to 1892. Professor in the University of Chicago (a Rockefeller institution) and in University of California.

These six men and Mr. Warburg constitute the Federal Reserve Board. I have given a few of the former associations of these men. No personal criticism should be made of these gentlemen because of their former associations. They undoubtedly came by them in a natural way and were men of good standing in their work. But, as before suggested, these men, with perhaps one exception, depended upon the Money Trust system to make them successful. They could not otherwise have occupied the places they did and succeeded in a financial way. They were educated by the Money Trust system, believe in it, and know no other. What show have the mental and manual workers of this country, who make up the rank and file of the plain people, with Mr. Warburg and his associate members of the board?

The public press lauded the President to the skies in the beginning of his administration, and the people followed in their admiration of their President. Everybody joined to make of President Wilson a great and useful President. None ever had the opportunity to do as much for the people with as little effort as President Wilson had, but to the misfortune of all he saddled on them this nefarious Federal reserve act. He took the responsibility, a responsibility which he and his friends will regret to the last. But bad as the act itself is the country might charge it to his ignorance of its effect, because before his election it is reported that he claimed he had not given study to the financial problems, and certainly could not have had time since. But as against this unfortunate situation he has shown his opposition to giving Government aid to anyone but the banks

and money lenders, and to them he has given the absolute control. He could not have been innocent, even on the ground of ignorance, as to his selection of the Federal Reserve Board. He certainly intended to select a board educated in the "Money Trust" ways, and one of them an organizer of it.

Since this matter has come to the front I have received a great many letters from all parts of the country, all complaining of the failure on the part of banks under the new system to take care of the business of the country. You all know well how the country was promised, when the plan was under discussion, that it would be a help to business and that no worthy borrower would need to be refused. Listen to this, which is a fair sample of the letters I am receiving, and I especially commend it to my Democratic friends:

MR. C. A. LINDBERGH.

MILLER, NEBR., January 13, 1915.

DEAR SIR: I am just reading your defense of the farmers in Congress. The farmers in the West and South are in a pitiable condition. The farmers of the West have had several years of failure of crops and partial failures, and have borrowed large sums of money to carry them through the bad years at 10 per cent and up. Now the banks refuse to lend any money at any rate. The people have no money in their pockets. Stores and business houses are beginning to stop credit. Lumber yards, meat markets, stores, etc., are looking up, saying no demand for the goods at a cash basis, and this condition is widespread. In New York State and all over the New England States they report conditions not good. We are large farmers, have our own valley farms free of debt, and have plenty of money in the bank. We loan money at 6 per cent and cancel all interest in bad years. It is the millions of those who have not got money that I am pleading for. I have questioned many bankers in the South and West in regard to the correct amount of money in the different reserve banks, and they all say they would not take out a dollar of it, so you see the Glass-Owen bill is a humbug. It is very common now, when farmers whose crops were dried out talk about the tight money market, some one will say, "Just like Cleveland times." Bankers are telling that these are Democrat times; that the Democrats have Wilson, Bryan, Senate, and Congress, and they are to blame for low tariff, free trade, etc., and thousands are beginning to believe it; and if something is not done to get some money in circulation amongst the people this Nation will soon have the worst panic this Nation ever saw. The banks now have absolute control of the people's money. Not a dollar of the billion dollars now in our Treasury can get out amongst the people if the banks do not want them to have it. The prices of cattle and hogs are going down until many farmers will not raise them. Millions of men and women are not eating meat, for they can not get money to buy it. All over Nebraska and Kansas and the South one will find many strong men begging for a meal. All building is shutting down. Skilled workmen can not get work at any wage; they and their families suffering. Something must be done. If you are Democrat and friend of common people, call President Wilson's attention to this and save the country, for the banks are organized to bring hard times and discredit him and his party.

Respectfully,

T. J. QUAIL.

Many things in Mr. Quail's letter particularly appeal to me, and especially the latter portion of it; yet I submit that I have not had much influence with President Wilson or his party, for I have from the very beginning fought this law.

Here is another letter on the same subject—a business man's letter. I am getting them from all parts of the country:

[JAMES A. MARTIN, manufacturer and wholesale dealer in lumber of all kinds.]

JOHNSON CITY, TENN., January 8, 1915.

Hon. Mr. LINDBERGH,

Washington, D. C.

DEAR SIR: I have just clipped and read from the daily papers a statement of your resolution to investigate the legalized Money Trust. It is a great pleasure to me to commend you in your effort to show up this trust and to thank you for your honest effort to get into the workings of this greatest of all money hoarders.

I want to tell you that I wrote Mr. McAdoo a letter on this subject some several weeks ago and he failed to answer it, but his Assistant Secretary tried to do so.

I have written our Senator three letters on this subject, and he writes as though he had a good opinion of my complaints, but at last refers me to the "proper officers."

I intend to write him again and see if he will not take this matter up himself, as he is certainly our representative in the United States Senate.

While it is true that laws have been enacted to reduce the national-bank requirements for reserves, it is also true that something near to \$300,000,000 has been abstracted by legal enactment from these same banks to build up these reserve banks and that this money is now carried as a great money hoard.

The board of managers have kept the loaning rates so much higher than other money centers that this hoarded money does not circulate, but has really decreased the volume of money in this country that is or should actually be in circulation.

They have made lower rates for 30-day loans than for 3 and 4 months' loans, and as you quite well know that such loans are only beneficial to the money sharks of Wall Street and are but little better than call money, as the business of this country is done on 3 and 4 months' commercial paper.

The plutocrats of this country certainly have charge of this system of banks. They do not want an increased volume of money and they are not going to allow any increase.

Here in the South, where the conditions are appalling and where money costs 8 and 10 per cent, and no practical relief for cotton growers, it is astounding to think that this board of managers hold the rate for three and four months' loans at 6 to 6½ per cent.

No bank can pay this rate and loan money at less than 8 to 10 per cent.

I am glad to recall that this is Jackson Day, and what a pity that he is not now alive, so that he could handle this momentous question of withholding this money from circulation to be hoarded.

December 31 I noticed that the Philadelphia Reserve Bank was making but few loans, but at rates one-half per cent lower than in the West and South.

Why should one part of this United States have to pay these banks higher rates than any other section?

From their statement of December 26 I note that they had "resources of \$271,683,000," and that of this amount they held a hoarded fund, withdrawn from banks and from circulation, of the enormous sum of \$258,316,000.

Pray tell me what use is this money to the southern cotton planters or to the farmers of the West, who are the mighty bulwark of our Government?

I again want to refer to this three and four months' commercial paper and ask, Why should it not be discounted at 4 per cent, as it is the real basis of all business and commercial transactions in this country?

At this rate the banks could then discount paper and loan money at 6 per cent interest.

I would be glad that you can have a talk on this matter with Senator SHIELDS, of Tennessee, as I propose to fight this matter through to a finish.

The people of this country are absolutely indignant.

Yours, very truly,

(Signed) JAS. A. MARTIN.

HOW THE RESERVE BOARD HANDLES THE ACT.

I have already shown the business character of the members of the Federal Reserve Board who were selected by the President. The act gives them unlimited power over the business of this country. That board could send out a circular any day that would instantly bring a panic. No board should have such power, for it may be used to direct business to the advantage of some and against other sections of the country, and favorable to certain kinds of business and antagonistic to others. This board has not been in action long, but it is worthy of our thoughts to see what it has thus far produced.

One of its first acts was an attempt—and it almost succeeded—in getting Congress to take and place in the Federal reserve banks all the lawful reserves of the member banks. This, in my judgment, was for the purpose of putting the Federal reserve banks in a position to aid the speculators in financing certain speculative enterprises that are sure to grow out of the European war.

The board has issued a number of circulars preparatory to getting the system down to where it will have the control where it wants it. On my request the board furnished me copies of these circulars. Some of them are important to show the working plan of the board. From circular No. 2 I quote the following clause, taken from the Federal reserve act:

The Federal Reserve Board to have the right to determine or define the character of the paper thus eligible to discount within the meaning of this act.

Circular No. 3 I quote in full, as follows:

FEDERAL RESERVE BOARD,
Washington, November 10, 1914.

Whenever a member bank shall offer for rediscount any note, draft, or bill of exchange bearing the indorsement of such member bank, with waiver of demand notice and protest, the directors or executive committee of the Federal reserve bank may, until January 15, 1915, accept as evidence that the proceeds of such note, draft, or bill of exchange were or are to be used for agricultural, industrial, or commercial purposes (and that such notes, drafts, or bills of exchange in other respects comply with the regulations of the board), a written statement from the officer of the applying bank that of his own knowledge and belief the original loan was made for one of the purposes mentioned, and that the provisions of the act and regulations issued by the board have been complied with.

CHARLES S. HAMLIN, Governor.

Circular No. 4 I also quote in full:

FEDERAL RESERVE BOARD,
Washington, November 10, 1914.

From and after January 15, 1915, all notes, drafts, or bills of exchange offered for rediscount shall show on their face, or by indorsement, a statement substantially to the following effect:

Eligible for rediscount with Federal reserve banks under regulations of the Federal Reserve Board circular No. 13—

Credit file No. _____
District No. _____
Name of member bank _____

The credit file number shall refer to evidence in possession of the member bank that the proceeds of such notes, drafts, or bills of exchange, under the terms of the loans made or to be made, were, or are to be, used for agricultural, industrial, or commercial purposes, as required by section 13 of the Federal reserve act and as imposed by regulation No. 2 of the Federal Reserve Board, and such credit files shall be open to inspection by any examiner appointed by the Comptroller of the Currency or selected by the Federal reserve bank discounting same, and copies of such files, or any part thereof, shall be furnished to the officers of the Federal reserve bank upon request.

The credit files referred to should contain not only evidence of the purpose or purposes for which such loans are made but also full and complete information as to the financial responsibility of the borrower, including a short general description of the character of the business, balance sheet, and profit-and-loss account of the borrower. Assets should be divided into permanent or fixed investments, slow assets, and quick assets. On the liability side should be shown capital, long-time loans, and short-term loans. Short-term loans should be in proper proportion to quick assets, and the statement should contain satisfactory evidence that short-term paper is not being sold against permanent or slow investments. The statement should, furthermore, show the maximum aggregate amount up to which the concern supplying this paper expects to borrow on short credit or sale of its paper, and

the individual, firm, or corporation giving the statement should obligate himself or itself to obtain the member bank's consent before exceeding the agreed limit. The affixing of the stamp stating such paper to be eligible for rediscount will be considered a solemn and binding declaration by the member bank that the statement has been examined from this point of view, and that the paper bought complies with all the requirements of the law and of the regulations hereby imposed.

CHARLES S. HAMLIN, Governor.

The board sent out the following notice relating to circular No. 4:

The governors of the Federal reserve banks have expressed the desire that the operation of regulation No. 4, which under its terms was to go into effect on January 15, should be deferred for the present. This regulation relates to statements that member banks would be required to receive from their customers in the future, and the unanimous opinion expressed by the governors was that it would be desirable and helpful, particularly to the country banks, in many districts to allow ample time for both member banks and their customers to adjust their methods to these new requirements.

The board has therefore decided that regulation No. 4 shall not go into effect on January 15, but that it will be held in abeyance for several months. A definite announcement will be made in due course. It is the desire of the board to facilitate the operations of the reserve banks in any way consistent with the law.

Circular No. 6 I quote. It is as follows:

FEDERAL RESERVE BOARD,
Washington, November 10, 1914.

Whenever bank acceptances are offered for rediscount it must appear on the face of such acceptances that the proceeds thereof were used or are to be used in connection with a transaction involving the importation or exportation of goods; that is to say, it must appear that there has been an actual bona fide sale which involves the transportation of goods from some foreign country to the United States or from the United States to some foreign country.

CHARLES S. HAMLIN, Governor.

Circular No. 13 is important to show the work of the board as it develops. I quote it, as follows:

FEDERAL RESERVE BOARD,
Washington, November 10, 1914.

To all Federal reserve banks:

In view of the impending opening of the Federal reserve banks, the Federal Reserve Board deems it proper to outline in this circular, in broad, general terms, the discount policy which it believes might be pursued to advantage by the Federal reserve banks at the outset.

While the most acute stage of the recent financial emergency appears to have passed, the conditions in other countries make it necessary that the United States should, to the utmost degree of efficiency, organize and make available its own resources, in order that it may provide for its own needs and replace the facilities suddenly destroyed by the closing of so many of the accustomed channels of credit and trade.

The directors and governors of the Federal reserve banks at a conference in Washington on October 20 and 21 recommended that the banks be opened without attempting at the outset to perform all the functions and duties contemplated in the act, but that they be prepared to accept deposits of reserves payable in lawful money, to discount bills of exchange and commercial paper, and to accept the deposit (after the reserve payments had been made) of checks drawn by member banks on any Federal reserve bank or member banks in the reserve and central reserve cities within their respective districts. It was the opinion of the conference that arrangements for the exercise of the additional powers granted by the act to the Federal reserve banks be completed as rapidly as the establishment of safe and efficient organizations would permit. The Federal Reserve Board is in accord with these suggestions.

It should be borne in mind that, although our exports are showing a gratifying increase, there is still a large cash balance due to European countries for which gold may be demanded, and that a large quantity of American securities held abroad may be returned to the United States; while on the other hand more than \$300,000,000 of emergency currency must be gradually retired. No one can estimate the duration of the war or predict what will be the financial and commercial conditions when peace shall be restored. Our own industrial development has been greatly facilitated by foreign capital, and we have been accustomed to borrow large sums annually in Europe and to sell American securities there, which attracted foreigners because of their higher rate of return as compared with European investments. It is probable that at the end of the war interest rates in Europe will be higher than they have been in the past and greater investment returns will be yielded. The tremendous destruction of property and waste of capital will not only check the flow of European savings to the United States, but may dispose foreign investors to return us the securities they now hold. Lower money rates in this country would be likely to accentuate this tendency, while, on the other hand, higher interest rates and larger investment returns on our side would check it.

The function of the Federal reserve banks is, therefore, of a twofold character. They should extend credit facilities, particularly where the abnormal conditions now prevailing have created emergencies demanding prompt accommodation; and, on the other hand, they must protect the gold holdings of this country in order that such holdings may remain adequate to meet demands that may be made upon them. While credit facilities should be liberally extended in some parts of the country, it would appear advisable to proceed with caution in districts not in need of immediate relief and to await the effect of the release of reserves and of the changes which the credit mechanism of the country is about to experience before establishing a definite discount policy.

Commercial paper: The Federal Reserve Board, under section 13 of the Federal reserve act, has the right to determine or define the character of paper eligible for discount, to wit, "notes, drafts, and bills of exchange arising out of actual commercial transactions; that is, notes, drafts, and bills of exchange issued or drawn for agricultural, industrial, or commercial purposes, or the proceeds of which have been used or are to be used for such purposes."

Bearing in mind the requirements of the present situation, the Federal Reserve Board believes that it would be inadvisable at this time to issue regulations placing a narrow or restricted interpretation upon the section defining the character of paper eligible for discount. It has, therefore, been decided not at this time to enter upon the discussion of the question of single or double name paper, but to admit

both forms of bills to rediscount with the Federal reserve banks.

The Federal Reserve Board proposes, however, to prescribe the following basic principles for the guidance of Federal reserve banks and member banks:

(a) No bill shall be admitted to rediscount by Federal reserve banks the proceeds of which have been or are to be applied to permanent investment, and regulation No. 2 has been formulated with the intention of giving effect to this principle, and is herewith inclosed.

(b) Maturities of discounted bills should be well distributed. It is the well-established practice of European reserve banks to invest only in obligations maturing within a short time. It is a general rule not to purchase paper having more than 90 days to run. The maturities of these notes and bills are so well distributed as to enable those banks within a short time to strengthen their hold on the general money market by collecting at maturity or by reinvesting at a higher rate a very substantial proportion of their assets. Acting on this principle, the Federal reserve banks should be in position to liquidate, whenever such a course is necessary, substantially one-third of all their investments within a period of 30 days. Departure from this principle will endanger the safety of the system. It is observance of this principle that affords justification for permitting member banks to count balances with Federal reserve banks as the equivalent of cash reserves.

(c) Bills should be essentially self-liquidating. Safety requires not only that bills held by the Federal reserve banks should be of short and well-distributed maturities, but, in addition, should be of such character that it is reasonably certain that they can be collected when they mature. They ought to be essentially "self-liquidating," or, in other words, should represent in every case some distinct step or stage in the productive or distributive process—the progression of goods from producer to consumer. The more nearly these steps approach the final consumer the smaller will be the amount involved in each transaction as represented by the bill, and the more automatically self-liquidating will be its character.

Double-name paper drawn on a purchaser against an actual sale of goods affords, from the economic point of view, *prima facie* evidence of the character of the transaction from which it arose. Single-name notes, now so freely used in the United States, may represent the same kind of transactions as those bearing two names. Inasmuch, however, as the single-name paper does not show on its face the character of the transaction out of which it arose—an admitted weakness of this form of paper—it is incumbent upon each Federal reserve bank to insist that the character of the business and the general status of the concern supplying such paper should be carefully examined in order that the discounting bank may be certain that no such single-name paper has been issued for purposes excluded by the act, such as investments of a permanent or speculative nature. Only careful inquiry on these points will render it safe and proper for a Federal reserve bank to consider such paper a "self-liquidating" investment at maturity.

Turning now to the question of procedure, it is not thought necessary to impose upon the banks the observance of methods which would involve needless difficulty or delay. It is therefore not deemed essential that a statement of condition be attached to each bill when sold to a Federal reserve bank. It is, however, thought advisable by the board to require that on and after January 15, 1915, no paper shall be discounted or purchased by Federal reserve banks that does not bear on its face the evidence that it is eligible for rediscount under the principles and definitions above outlined and as expressed in regulation No. 2, and that the seller of the paper has given a statement to the member bank. A rubber stamp stating, in substance—

ELIGIBLE FOR REDISCOUNT WITH
FEDERAL RESERVE BANKS
UNDER REGULATIONS OF
FEDERAL RESERVE BOARD CIRCULAR No. 13.
CREDIT FILE NO. _____
DISTRICT NO. _____
(Name of Member Bank.)

is considered sufficient evidence to that effect at this time. It would be understood that the Federal reserve bank could at any time call for the appropriate credit file, and it may well be expected that the data thus gathered—particularly the files of more important firms and of those rediscounting in larger amounts—will be so catalogued as to furnish the nucleus of an effective credit bureau which in turn may eventually develop into a central credit bureau for the benefit of all the Federal reserve banks of the system.

For the time being certified accountant's statements will not be required. This matter is reserved for regulation at a later date. The required statement as outlined above should be signed under oath and should contain a short general description of the character of the business, the balance sheet, and the profit-and-loss account. Assets should be divided into permanent or fixed investments, slow assets, and quick assets. On the liability side should be shown capital, long-term loans, and short-term loans. Short-term loans should be in proper proportion to quick assets, and the statement should contain satisfactory evidence that short-term paper is not being sold against permanent or slow investments. The statement should, furthermore, show the maximum aggregate amount up to which the concern supplying this paper expects to borrow on short credit or sale of its paper, and the concern giving the statement should obligate itself to obtain the member bank's consent before exceeding the agreed limit. The affixing of the stamp stating such paper to be eligible for rediscount will be considered a solemn and binding declaration by the member bank that the statement has been examined from this point of view and that the paper bought complies with all the requirements of the law and the regulations hereby imposed.

The board appends two additional regulations: No. 3, covering discount transactions on or before January 15; No. 4, discount operations on and after January 15.

Six months' paper: The law provides that the Federal Reserve Board shall fix the percentage of its capital (by which is understood that portion of the capital paid in) up to which a Federal reserve bank may discount "notes, drafts, and bills drawn or issued for agricultural purposes, or based on live stock, and having a maturity not exceeding six months." The law permits the Federal Reserve Board to deal with each Federal reserve bank individually in fixing this limit.

The Federal Reserve Board has determined to fix this limit generally and until further notice at 25 per cent of the capital that shall have been paid in from time to time. For those districts in which, during certain seasons, six months' paper is particularly required to carry

through agricultural operations the limit will be increased from time to time upon requests made by Federal reserve banks to the Federal Reserve Board.

Regulation No. 5, relating to six months' paper, is appended hereto.
Regulation No. 6, relating to bank acceptances, is likewise appended.

CHARLES S. HAMLIN, Governor.

The board has been very prompt and courteous in furnishing me with these circulars. It was currently reported that many questions were being asked of the banks applying for loans and as to the makers of paper offered for discount. In order to know whether the Federal Reserve Board was connected with those I directed an inquiry to the board, and in asking for further information I received the following answer:

FEDERAL RESERVE BOARD,
Washington, January 14, 1915.

Hon. CHARLES A. LINDBERGH,
House of Representatives, Washington, D. C.

MY DEAR MR. LINDBERGH: In reply to your letter of January 12, I write to say that Circular No. 13 and the accompanying regulations are absolutely all that has been sent out by this board with respect to the matter you refer to, viz, "questions * * * asked of member banks of the Federal reserve banks when they applied for rediscount, both as to the applying bank and the makers of the paper offered as a security." As to what questions the various reserve banks may have asked, we are not informed. Doubtless the officers of those banks asked such questions as they thought in each case that the requirements of the applicant for a loan demanded, and this, it is fair to say, would vary widely as between different districts and different banks. I have no idea that there have been any stereotyped lists of questions even within a single district; but if there were, I do not know of it, and I do not think that anyone here has any knowledge of it.

Further, as I stated in my letter to you the other day, there have as yet been no amendments to original Circular No. 13 and its attached regulations, although, as I have stated, such a revision is under consideration and, in fact, the revised draft is in the press at this time. As soon as it is ready to issue I shall gladly send it to you. Just how the several banks will put the new regulations into operation, or what questions they will ask for the purpose of satisfying their own minds that it has been complete, we can not, of course, predict.

Very truly, yours,

H. PARKER WILLIS, Secretary.

I have no doubt that the board and its officers are pursuing the whole plan as they believe right, but they are all working to high finance, and not to the needs of the plain people. The latter may struggle in any way they can, but it must be without the consideration of the help from the Federal Reserve Board. Therefore they are left, as we have seen, to the mercy of the money lenders.

Let us examine the circulars and letters. I again quote the clause in No. 2:

The Federal Reserve Board to have the right to determine or define the character of the paper thus eligible to discount within the meaning of this act.

Then, in No. 13, I quote the following from it:

It is probable that at the end of the war interest rates in Europe will be higher than they have been in the past and greater investment returns will be yielded. The tremendous destruction of property and waste of capital will not only check the flow of European savings to the United States, but may dispose foreign investors to return to the securities they now hold. Lower money rates in this country would be likely to accentuate this tendency, while, on the other hand, higher interest rates and larger investment returns on our side would check it.

The function of the Federal reserve banks is, therefore, of a twofold character. They should extend credit facilities, particularly where the abnormal conditions now prevailing have created emergencies demanding prompt accommodation, and, on the other hand, they must protect the gold holdings of this country in order that such holdings may remain adequate to meet demands that may be made upon them.

The statement should, furthermore, show the maximum aggregate amount up to which the concern supplying this paper expects to borrow on short credit or sale of its paper, and the concern giving the statement should obligate itself to obtain the member bank's consent before exceeding the agreed limit.

This Circular No. 13 and the letter of H. Parker Willis should be studied by Members with the object in view of understanding the powers of the board. It will be observed that the board may, if there is a drain of gold for export to foreign lands, cause a raise in the rates of interest to induce gold to remain at home. The banks may, without hindrance, ship gold for the very purpose of creating a drain to force higher rates of interest. J. P. Morgan & Co. and others are making loans in foreign countries—in Europe and South America.

Have Members given any thought to who gets the benefit of an arbitrary raise of the rates of interest? Just think of the Federal Reserve Board and the Federal reserve banks causing a raise of interest rates to stop an outflow of gold. It becomes a tax upon the people to stop what they are not to blame for and to give the benefit to the banks, which, in nearly every case, themselves will be to blame. A certain number of our people spend hundreds of millions of dollars in traveling abroad. Speculators in this country speculate abroad and the Federal reserve act authorizes the banks to go to it, and whether it be the travelers, the speculators, or the banks that ship or take money to other countries, the payments are made in gold; and if they travel, speculate, too hard or create too many foreign

banks and the gold goes too fast, they raise the rates of interest to our people to keep the rest of the gold at home. It is, in effect, a fine to be collected from the toilers of this country and kept by the banks.

The particular thing I wish you to observe about these circulars is in paragraph (b) in Circular No. 13. See how strict the rule is for keeping the paper collectible within from 30 to 60 days, and at least one third within 30 and another third within 60. That serves a certain purpose very well; that I shall not discuss, because the purpose is served, and in some respects it is a good thing. But it was pretended and the attempt was made to make the farmers believe that this act was good enough for the farmers, and the President refuses to support a rural-credit system with Government aid to the farmers, partly claiming that this act will do. There is nothing in this act compelling the banks to loan to the farmers, and if they should care to there is no limit on the charge that they may make. The banks are given everything by the act, but they are not required to do anything, and the truth is that the banks are not and never will take care of the farmers' business without overcharging.

This whole act is intended simply to handle liquid paper, which means handling the commerce on which the speculators of this country are reaping their harvests. It expressly avoids taking care of the fixed indebtedness. No farmer can go on and improve his farm with 30-to-90-day money. Farmers need the money, if they require any at all, even longer than that to handle their crops. Anyone who claims that this act is in the interest of the farmers is either ignorant on that subject or dishonest.

As a matter of fact, we shall have to have some way to take care of the fixed indebtedness, if we are forced to stay upon the present general way of doing business. We shall have to have very low rates of interest or a general breakdown. The banks and money lenders are extremely selfish. They have been given everything that could be given to them by any government; still, without themselves paying more for deposits, they raised the rates of interest when more of the deposits were released for loans by the Federal reserve act. I wish to exhibit something of how selfish they really are. I shall quote you four instances out of the many thousands of cases that show how selfish they are. My purpose is to show that any government that lets the banks have the exclusive control of finances is not a well-governed country. Now, I name the cases. Here is the first one. It was sent out by the money lenders during the Civil War. It was known as the Hazard circular, having been drafted by a lobbyist for the banks and sent to bankers. This is it:

Slavery is likely to be abolished by the war power and all chattel slavery abolished. This I and my European friends are in favor of, for slavery is but the owning of labor and carries with it the care of the laborers, while the European plan, led on by England, is that capital shall control labor by controlling wages. The great debt that capitalists will see to it is made out of the war must be used as a means to control the volume of money. To accomplish this the bonds must be used as a banking basis. We are now waiting for the Secretary of the Treasury to make this recommendation to Congress. It will not do to allow the greenback, as it is called, to circulate as money any length of time, as we can not control that. But we can control the bonds and through them the bank issues.

The second one to which I call your attention was sent out by authority of the Associated Bankers of New York, Philadelphia, and Boston in 1877. It was signed by James Buel, secretary, from 247 Broadway, New York, and reads as follows:

DEAR SIR: It is advisable to do all in your power to sustain such prominent daily and weekly newspapers, especially the agricultural and religious press, as will oppose the greenback issue of paper money, and that you also withhold patronage from all applicants who are not willing to oppose the Government issue of money. Let the Government issue the coin and the banks issue the paper money of the country, for then we can better protect each other. To repeal the act creating bank notes, or to restore to circulation the Government issue of money, will be to provide the people with money, and will therefore seriously affect our individual profits as bankers and lenders. See your Congressman at once and engage him to support our interests, that we may control legislation.

In 1893 the American Bankers' Association sent out the following circular:

DEAR SIR: The interest of national banks requires immediate financial legislation by Congress. Silver, silver certificates, and Treasury notes must be retired and national bank notes upon a gold basis made the only money. This will require the authorization of five hundred millions to one thousand millions of new bonds as the basis of circulation. You will at once retire one-third of your circulation and call in one-half of your loans. Be careful to make a monetary stringency among your patrons, especially among influential business men. Advocate an extra session of Congress to repeal the purchasing clause of the Sherman law and act with other banks of your city in securing a large petition to Congress for its unconditional repeal, per accompanying form. Use personal influence with your Congressman, and particularly let your wishes be known to your Senators. The future life of national banks as fixed and safe investments depends upon immediate action, as there is an increasing sentiment in favor of Government legal-tender notes and silver coinage.

The Secretary of the Treasury was quoted by the press in September and October, 1914, as claiming that letters were sent out from large banks to some of the smaller banks, which letter the press quoted in the following language:

DEAR SIR: Absolutely shut down on any more loans. Now is the time for collecting in and not for putting out. This until money here shall become easier, by reason of the selling of cotton, etc., and the consequent increase of deposits and paying of notes.

Do not, under any circumstances whatever, make any further loans to your customers to pay notes and accounts to the wholesalers. Let the latter do their own totting.

It also includes lending on cotton warehouse receipts of one form or another, and also the lending of small amounts to farmers and others in order to keep from selling cotton.

Stop this "lending" money in the shape of overdrafts. When you allow a party to overdraw, and he then takes the position that he can not pay and can cover only by a note, he's "got" you. Cut out persistent overdrafts, not only with cotton accounts, but with all.

Collect up the notes falling due from now on, to the very best of your ability. Do your very utmost to get in every dollar that you can on your present loans.

Do not consent to renew any of your present notes without special authority in each case from our office.

I have not given these quotations to prejudice you against the bankers. Speculators make all the money they can as a rule. Bankers are no worse than others. The only difference between the bankers and the other speculators is that the people take their money to the banks, and the Government has turned its prerogatives to the banks, and the banks use other people's money, including that of the Government, to speculate with. I would probably do the same if I was a banker; so would you; and many of you are bankers. But we are not here to represent the bankers. They do not pay us our salary, and therefore there was no reason to give them the exclusive right to get Government loans and the exclusive privilege of keeping the people's money in their banks. The latter the act does not in express terms give, but the conditions force it, so it amounts to the same thing.

Selfish as the banks are, and much as I would like to see the Federal reserve act repealed, that is not my purpose in making this speech. Let the banks for the time being—since you would not repeal the act, anyway—have the act stand. But do not let it stand as the exclusive law governing finances. Give to the people a law that will permit them to deposit with the United States money, checks, and other proper evidences of credit without limitation as to amount, and fix the rates of interest which the Government will pay therefor at from 2 per cent to 3 per cent, depending on the conditions of deposit, and authorize the organization of the farmers, the railways, the industries, and make direct loans to them when they give the security that justifies it upon terms as favorable as the Federal reserve act gives to the banks. If that is done, the Money Trust will at once dissolve and the business of this country will flourish as it never has before, and all people will then prosper.

I would draft such a bill myself, but the majority of this House does not wish to have an act of importance bear the name of one who is not a member of the majority party. Therefore, I have simply indicated the principles upon which it should be drawn to break the struggle of the Money Trust banks, by means of which they are raiding the people and the industries of this Nation. I will help you draft a bill and let you have the name for yourself. You drafted the Federal reserve act in secret behind closed doors and would admit no one but Democratic members of the Banking and Currency Committee. I am sure no one will long envy you this distinction. I never did.

This subject is enormous in its scope when considered from present methods. It is complicated, and one would need to use much more time than one speech can occupy to go into many phases of the problem. If finances were treated and practiced scientifically instead of arbitrarily, they would be very simple. But that would not suit the money lenders, and they have it their way at present.

We must be practical and consider things as they are, even if they are different than they should be.

Capital has a place in economies, not a theoretical place, but a practical one. If men and women would cease being personally selfish and all would acquire the habit of industry, then we would be prepared for pure socialism. But all admit that most men and women are personally selfish and that under existing conditions some personal selfish action is necessary to sustain existence. We also admit that not all of us are industrious. So far as we admit those two things—that is, so far as they are facts—we are not prepared for complete socialism. But we have socialism in a limited way in some divisions of human affairs, and as we improve the field of socialism will be enlarged. Evolution will eventually bring us to it in the same way that we have gradually taken on socialism in some of our work. In those fields where socialism is not now applied we must deal with capital as it relates to men and women.

The proprietors of capital have been given a special privilege that enables them to levy upon the industry of the people generally an unfair advantage, and they have not hesitated to use it.

I wish to offer a warning to the farmers of this country, and that is to beware of the Federal Reserve Board and present no rural-credit plan that gives the Federal Reserve Board any control over it. When proper rural-credit and proper industrial-credit plans are enacted, let them be governed by their friends. I have repeatedly proclaimed that the Federal reserve act was drafted in Wall Street for Wall Street, and long before it had taken concrete form that that very thing would be done. I was safe in saying so, because I knew the conditions under which it was framed, and I have shown enough to-day to convince anyone who is not unduly prejudiced.

What the people of this country should observe to know whether they are successful or not is not the stock market, nor the balance of trade, nor the amount of work that can be found by the toilers to do, or any other business activity, but the test is this: Do the people obtain from their employment such compensation as will give them advantages suited to their needs? In other words, is the net return from employment—the difference between what the toiler receives for his labor and what he pays for the necessities of life—what it fairly ought to be? This and this only is the true test of a nation's prosperity. It has been demonstrated over and over again that a leisure class is not the most productive of even the finer things. Statesmen, jurists, poets, painters, and musicians—all the greatest come from the humbler walks of life.

I have said considerable about the President favoring the trusts. I realize that he is not alone to blame. Congress has the power as well as the responsibility to act when it comes to legislate. But whether the people are to blame for not taking notice of it, or what the cause is for the President dominating Congress and getting legislation of so vicious a character as the Federal reserve act, I leave it to your intelligence to answer in your own conscience. I, for one, am willing to take my "medicine," since I fought this vicious act which the President has secured with appointments to public offices as the bribe stakes.

This may be plain language—at least I intend it to be—but so long as the "Money Trust" can control all the advantages and make the rest of the people work for that trust and give them in pay only enough for a bare subsistence, I am willing to at least express the truth about it. It has seemed strange to me, if the White House and Congress can make the people believe that this is a well-governed country when the consumers are forced to pay so much and the producers receive so little.

If it were not so serious and one did not care for his constituents, it would be amusing to watch the proceedings down here in Washington. There is no such other farce in this country. That is because the stakes are larger, and therefore the game seems to those who play it for the stakes to be worth more.

Of course, all the Members who spend their time in Washington know something about the game. I am sorry for any Member who thinks that he must have the office, or even needs it, because that places him between two fires. He thinks that he must fool the people on the one hand and the selfish interests on the other. Really, I think there are mighty few whose hearts are not actually with the people, but there are many who believe that the people do not keep well enough informed to find it out, and it is because of that fact that they secretly let the selfish interests get control. These "interests" control a large part of the public press and see to it that those who support them are given praise and favorable publicity and their proportion of patronage and favors. Furthermore, they are taken care of in their campaigns with funds and helpers. On the other hand, they believe that if they do not do this that they will have to fight their campaigns without help, and that that portion of the press that is subsidized by greed will publish all kinds of lies and try to make the people believe what is not true of them.

It is between these two fires that Members who think they must have or need the office find themselves. Therefore, if they see some great injustice perpetrated upon the people, such as the Federal reserve act is—though many Members did not know that, because they took the President's word that it was good—I say, while they often see the injustice, still they do not protest because of the attack that would be made upon them by the "special interests" if they did.

It has seemed strange to me that the people have seen private greed, unobstructed, appropriate the forests, the minerals, the water powers, the most valuable patents, the transportation systems, and the other valuable agencies, even including the

banking and currency, without proper protest. It is strange that they reelect the same old officeholders that let private greed appropriate all these valuable agencies of mankind.

But the day is not far distant when it can be done no more. The enormous advantages that did exist have most of them passed from the plain people. We can no longer go to the West as we formerly did to grow up with the country. The West is also appropriated, and we struggle there as elsewhere. The resources that are capable of monopoly have been taken, incorporated into stock holdings to make the people pay for them, which I described before. Things are getting down to hardpan. We can hardly expect those who held office while greed appropriated without their protest the best of the natural resources will be able to get back what they let them take. For them to pretend now to be progressive is in most cases mockery and insult to the intelligence of the people.

I warn fellow Members that what is happening over in Europe is not alone the fight of kings. They struck the spark that exploded the war magazines of the nations; but there is a deeper social intelligence in this world now than there was in the times of other great wars, and a different condition will come out of it. You need not think that the people who are fighting the mighty battles at a cost of many billion dollars are going to pay very many more billions of interest on top of it. When the war closes and peace terms have been signed a light will appear and the fake money systems of the world will be forever foreclosed and the false speculative commercial greed which breeds wars will be supplanted by natural commerce.

Oh, what a pity that the United States did not have a statesman in the White House whose word would have been taken for a good law, a thousand times better than for Wall Street's Federal reserve act. I do not hesitate to say that the country can not safely rely upon the President, and that now is a time that Congress should come to its own and look with scorn upon the patronage bait. This and the Congress soon to be should divorce itself from the domination of the President and only listen with wisdom to the advice he offers, and then weigh it in the scales of justice for all mankind and enact laws that will take from the "special interests" the power to levy tribute upon the toiling millions.

I am gratified with the very first results of my resolution. It recited facts that could not be ignored. It recites the truth about the President being on the side of the "Money Trust," and that when questions arise in which it becomes necessary for the President to choose whether to favor the people or the "Money Trust" he favors the latter, and because the resolution gave notice of that fact and was published by the press it became expedient for the President to get some action; therefore the governors of the Federal reserve districts were called together to take action. So the rates of interest had to be lowered, and they have been lowered slightly, and probably will be lowered more, and efforts will be made to start up business and put the unemployed to work. They might even bring on a little boom; but it will all come back to the same grind as a still further charge upon the masses if the people accept without question what greed has and, it seems, can put over.

The "Money Trust" has complete control of the Federal political machine in Washington. Members will have to fight for the public as against the administration, which has been proved false to its trust. This fight may be long and severe, for money has a power that is potent, and the Government itself, under the act that has been pushed through Congress by this administration, furnishes the "Money Trust" with the money to fight the people. Every State should, for the protection of its own people, provide methods by which its people may organize its agricultural and industrial forces to conserve the finances of its own population for their own use. The best power for handling credit is in the Federal Government, but the States nevertheless are not impotent and should make laws that will enable the agricultural and the industrial forces to make use of their own local resources instead of allowing their resources to be spirited away for the use of greedy speculators. The States can, by proper laws and regulations, bring it within the power of the people of the States to use in a safe and sane way their own resources; but it could be done more effectively and with greater celerity by the Federal Government; yet when the Federal Government fails to perform its function, then the States should act individually, within the Constitution, for their individual populations.

I can not, of course, discuss financial problems in very much detail in a single speech. We have the experiences of business to guide us, but we do not all seem to take notice of them. They prove conclusively that our financial system is not natural, but a created one for the speculators, and causes enormous injustice and hardship. Outside of—that is, except the exercise of—

the functions of government itself there is no other problem of such importance as having a just system of exchange between the people wishing to deal with each other for their goods. I was recently impressed with a great work, brought down to date, by T. Cushing Daniels, 1416 F Street NW., Washington, D. C. Mr. Daniels has made a life study of the subject and wrote two books—one "High Cost of Living—Cause, Remedy"; the other, "Daniels on Real Money." Members feeling that they have not time to dig to the bottom for themselves would be interested in reading these.

Often as I have examined the politics of the country and reflected how men alone have run them, and see the result both in business and politics, I have wondered if they really wanted that result, and if that is the reason why they prevent the women from having a hand in politics. I noticed that it was those who support this administration, principally, who voted against the resolution to let women exercise a right which they really have but are prevented from exercising. If the women of this country had been given the same responsibility in government that men have had, a remedy, I believe, would have been applied long ago. The women see, feel, and have intuition as well as judgment. We men see but have but little intuition and fail to exercise our judgment in a proper administration of laws.

It is because of the conditions that exist that I introduced the resolution which created the disturbance among the Federal reserve banks. I carefully weighed everything I put in that resolution, and I now quote it as a part of my speech. Here it is:

Resolution (H. Res. 696).

"Whereas it appears that banks are the only available depositories for people's savings, business, and community accounts; also that they are the only agency for financing business, and that independent of bank control there are not funds enough to finance 5 per cent of all business;

"That the largest banks compose the Money Trust and finance business in the interest of their principal stockholders; that by operation of the banking system the smaller banks have been forced to become the feeders to the Money Trust banks by transferring to them a part of their deposits;

"That by reason of the banks being the only available depositories for the people's finance accounts, and therefore the only agency for financing business, the banking system has long been the real Money Trust power, separating the owners of deposits from the borrowers of the deposits, and thereby also separating the producers from the consumers by making each pay charges for excessive interest, dividends, and profits, thus making it impossible for the masses to succeed;

"That the people's deposits in the banks approximate \$19,000,000,000; that the people owe to the banks approximately \$21,000,000,000 and to those allied with the banks a still greater sum; that the banks pay no interest on a majority of the deposits and small interest in proportion to what they collect on the residue; that the aggregate difference between what the banks pay for deposits and what they collect for loaning deposits is enormous; that, in addition, those controlling the Money Trust banks secure even greater profits from investments they make on the outside because of information borrowers in securing loans are forced to disclose, and they use the depositors' funds to make the investments; that all these profits collected from the people give to the banks a constantly increasing selfish control over the people and their affairs;

"That in 1907, a year of great production and well-nigh perfect physical conditions, the Money Trust banks forced a panic, under cover of which Congress was induced to pass the emergency currency act, by which was created a committee to formulate a plan for later legislation on banking and currency; that a plan was formulated and leagues formed in the States, officered by the Money Trust agents, to advocate legislation on banking and currency; that to allay suspicion of their being influenced by the Money Trust these leagues did not advocate a specific plan, but merely urged legislation; that in the meantime the Money Trust had adroitly managed to have appointed to all important Government offices having to do with finances persons who had been educated in the Money Trust ways and knew no other, and thus secured the formulation of their plan, while at the same time they adroitly made it appear to the public that the Money Trust was opposed to it;

"That in 1913 Congress enacted the new banking and currency law known as the 'Federal reserve act'; that under its provisions the United States is divided into 12

districts, each with a Federal reserve bank; that the public can have no stock or property interest in them and is prohibited from doing business with them; that these banks are owned by the other banks subscribing for the capital and are exclusively banks for banks; that no provision whatever was made for the people to make deposits nor for the people borrowing other than that heretofore existing, and therefore the people are forced to deposit and borrow in the same old way; that no limit is made in the act on the interest that the banks may charge borrowers;

"That nothing of material advantage secured to the banks by the old system has been taken away by the Federal reserve act for which they have not been immensely over-compensated by new and special privileges, nor have any benefits or privileges accrued to the people from the passage of the act; that among the many new special bank privileges, figuring the national-bank deposits alone, they are permitted to loan approximately \$500,000,000 more than heretofore, to which will be added another huge sum when the State banks become members; that they are also privileged to act as the fiscal agent of the United States and to obtain a clutch upon the Treasury funds and may use them for private gain; they may also pledge to the United States the debts of the people and secure new currency; they may establish banks in foreign lands, thereby involving, as the European war has shown, a risk to the United States Treasury funds, as well as to the deposits of the plain people; that the gifts of the Federal reserve act to the banks thus referred to are expressly supplemented by many others to the public detriment, but that greater than all of the gifts to the banks that appear in the terms of the act are the advantages that accrue to the Money Trust banks by reason of the intimate knowledge that they obtain from facts forced from the other member banks when they apply to their respective Federal reserve banks for rediscount; that with the official facts thus obtained the Money Trust is enabled to discount conditions far in advance of public knowledge and thus gouge the people by their speculations; that for this purpose and one other, neither of which appeared on the face of the act, the supreme efforts of the Money Trust were made to secure the passage of the Federal reserve act; that the other unexpressed but secret purpose secured by the act was to give the Money Trust banks and their allied interests the fullest freedom, without danger to themselves, to exploit the people, not only of America but of the entire world, which the Federal reserve act permits, and reinforces them with a guaranty that if they should miscalculate and become so deeply entangled in speculation as to be unable to extricate themselves, then the Government would be forced to aid them; that because of these two unexpressed and secret purposes the Money Trust banks seek to conserve the credit of the United States exclusively for the use of their Federal reserve banks; that because of that, and for other selfish reasons, they oppose Government aid to a farmers' rural credit system, and likewise oppose any plan that would give Government aid directly to a credit system for financing railways and other industrial institutions;

"That Money Trust managers and their agents were selected to control the 12 Federal reserve banks, and because of their mutuality of interest they form a natural as well as a legalized trust; that because of the peculiar provisions of the act the small banks are forced to become a part of the trust; that the people's deposits in the banks are absolutely under the control of the banks; that the banks, at their own option, may or may not contract or expand loans and currency, by forcing borrowers in the one case to pay and in the other by freely extending loans and making use of the Government to supply funds;

"That Congress, by the passage of the Federal reserve act, put into the control of the banks not only the means by which they may obtain information in regard to the financial standing of every subsidiary bank, railway, and industrial corporation, and use such information for purposes of speculation to their enormous advantage over others not having access to the same means of information, but it has placed it in the power of the Money Trust to make and determine prices of speculative and other commodities at its will. To cause high prices, all it will have to do will be to lower the rediscount rate so that the associated banks will more generally apply for and receive the Federal reserve notes, producing an expansion of credit and a rising stock market; then when business and business men have adjusted to these conditions it can check world-wide prosperity in midcareer by arbitrarily raising the rate of discount; it

can cause the pendulum of a rising and falling market to swing gently back and forth by slight changes in the discount rate, or cause violent fluctuations by a greater rate variation, and in either case it will possess inside information as to financial conditions and advance knowledge of the coming change, either up or down; that this is the strangest, most incomprehensible, and dangerous advantage ever placed in the hands of a special privileged class by any Government that ever existed; that this act makes it not only possible but ridiculously easy for the Money Trust to control absolutely every bank and bank official. Should any bank or officer of a bank refuse to submit to its dictation in business or in its support of candidates favored by it for President, Senators, Members of the House, governors, judges, members of legislatures, and others, all it will be necessary to do to mete out condign punishment to such bank will be for the trust to withhold from it the information that it will be in a position to bestow upon its more subservient competitors;

"That the President in creating the Federal Reserve Board appointed men who had been educated by the Money Trust system, believed in it and knew no other; that the Federal reserve act gives a power to the Federal reserve banks that makes the Government impotent to protect the people until further legislation shall be had;

"That already the Federal reserve banks have cornered the gold and gold certificates, so that these are no longer in circulation among the people; that finances generally are absolutely in the control of the banks by authority of the Federal reserve act;

"That the whole banking system is a private institution conducted for the sole purpose of obtaining the greatest possible profits for the use of other people's money and in the interest of the stockholders and those allied with them; that it is inconsistent with free government to subject every industry and enterprise in the country to the domination of the banks which have been granted the exclusive privilege to control the people's finances;

"That the banks have power to create panics when they please by making demand for payment of even as low as 10 per cent of the obligations owing to them and by refusing to make new loans or extend old ones; that by insidious means the Money Trust banks control legislation, and by that means have secured the special and exclusive privileges they now possess; that under existing conditions the people not having formulated a plan on which the general public has been able to make a specific demand on Congress, it has been impossible to secure the action of Congress to enact the proper legislation for the people; that the Nation confronts a crisis and action must at once be taken to extend to the farmers a proper rural-credit system with aid from the Government, and also proper means must be provided to finance the railways and industrial institutions with aid from the Government; that by extending such aid to the farmers, the railways, and to other useful industries, it will prevent the Money Trust from despoiling them with the usury charges to which they are now subjected;

"That the farmers, most of all, are defenseless under the present system because of the inability of the banks to make long-time loans in sufficient amounts, even at their usurious rates, to meet the farmers' demands, and because the banks do not aid the farmers even to the extent the laws permit; and for the further reason that the Money Trust banks have intentionally kept the farmers from securing proper relief, which is especially evident by the acts of the present administration and of the present Congress, the President himself having expressed in messages his opinion that the Government should not grant aid to the farmers, while at the same time he urged and demanded of Congress that it grant unlimited aid to the banks; that at the breaking out of the European war Congress and the administration were frightened by the Money Trust, and thereupon extended to the banks a special privilege to secure from the Government, at 3 per cent, over a billion dollars, if they should need so much for the use of speculators to save them from loss, and of this authorized sum actually advanced to the banks \$369,558,040, and was ready to advance the balance on demand of the banks, while at the same time the farmers of nine States appealed in vain to the President of the United States and to Congress for Government aid to save them from \$400,000,000 loss; that to divert the farmers the administration, in conjunction with the Money Trust banks, urged the farmers not to seek Government aid, but to let the banks make up a \$250,000,000 pool with which to aid these farmers; that as soon as Congress

had adjourned and action could not be had the administration and the banks were freed from the farmers' efforts to secure legislation then, and the \$250,000,000 pool fizzled and the farmers were left to their loss and lasting distress;

"That the railways, because of the unreasonable rates of interest that they are forced to pay to the bankers and money lenders, have been in distress and forced to ask the Interstate Commerce Commission to advance freight and passenger rates; that the presidents of the railways appeared before the President of the United States and asked him in the same way the farmers did, for his influence to get the Interstate Commerce Commission to increase their railway rates, and that the President lent his aid to that end and this relief to the railways was granted;

"That every important country in the world has long since provided a rural credit system for its agricultural interests and that the United States is the only country that has failed to perform this important duty; that the Money Trust has secretly formulated a scheme to have enacted into law a fake rural credit system for the purpose of making the farmers believe that they will be provided for; that it is their scheme to delay the passage of any rural credit system as long as possible, but when the farmers become too persistent, then to bind their proposed rural credit system to the present Federal reserve act or make it largely dependent thereon and not possible to be operated except under the influence of the Money Trust, and to effect but a small reduction of interest to the farmers, whereas not only the farmers, but all legitimate borrowers, are entitled to have the interest rates reduced at least one-half, even under a moderately fair system; that unless Congress acts forthwith to inaugurate a proper rural credit system suited to reduce the rates of interest to farmers generally at least one-half, and provides for proper means of financing the transportation and industrial companies, the Money Trust will manipulate to make it more and more difficult to accomplish;

"That in view of these circumstances it is becoming more and more apparent to the country, if not to the administration, that something should be done immediately to break the strangle hold which the Money Trust has secured upon the finances, the agricultural, transportation, and industrial systems, and the politics of the country: Therefore be it

"Resolved, That a special committee of five Members of the House be appointed by the Speaker to inquire into the influences that have been exercised by the Money Trust in the organization of the Federal reserve banks, and the extent, so far as practical, of the control the Money Trust exercises in the same, and to report to the House as soon as possible.

"Resolved further, That the full Committee on Banking and Currency is authorized and directed to immediately hold meetings, and to continue such meetings from time to time, and sit in meetings during sessions of Congress as well as during recess, for the purpose of formulating a plan and reporting a bill for the organization and cooperation of rural credit associations and aid to the farmers by Government loans to them.

"Resolved further, That the said committee is authorized and directed to formulate a plan and report a bill for the organization and cooperation of the transportation systems and aid to them by Government loans, in order that the rates of interest may be lowered so as to make lower freight and passenger rates possible.

"Resolved further, That the said committee is also authorized and directed to formulate a plan and report a bill for the organization and cooperation of the industrial companies which are producing the common necessities, so as to reduce the cost of production and the cost of living, and to aid them by Government loans;

"Resolved further, That the said committee is authorized and directed to formulate a plan and report a bill for permitting the people to make deposits of money, checks, and proper evidence of credit, without limitation as to amount, and fix rates of interest which the Government shall pay therefor and the manner in which such funds may be invested in order to reduce the rates of interest generally to the people and to promote the several purposes to be accomplished by the several bills which said committee is authorized and directed by this resolution to report; that all of said purposes may, if it seems practical to the said Committee on Banking and Currency, be reported in one bill; the intent and purpose of such legislation being to enable the agricultural, industrial, and transportation systems to obtain, when necessary, credit and financial assistance from the Government on an equal footing with the banks."

The following is the Henry B. Joy letter:

DETROIT, MICH., January 7, 1915.

Hon. F. A. DELANO, Vice Governor,
Federal Reserve Board, Washington, D. C.

DEAR MR. DELANO: I certainly am so thoroughly disgusted at the dragging of the Federal reserve bank of Chicago into the limelight by Congressman LINDBERGH, of Minnesota, and others, that I feel warranted in writing you. I have to-day also written to Mr. Hamlin, of which letter I have sent you a copy. Of course we business men and bankers all felt that the Federal reserve bank would become the football of politicians and of a certain class of newspapers, but it has come so much sooner than I expected.

In the Chicago Tribune of January 6 is again a long article by the staff correspondent giving interviews by Congressman LINDBERGH, of Minnesota, and Congressman GLASS and Senator OWEN, etc.—a lot of pure, unadulterated sensational slush to stir up prejudice and trouble. This, I have no doubt, is a very laudable object from somebody's point of view and probably pays or they wouldn't do it. I do feel that it is one of the prerogatives of the Federal Reserve Board to demand that politicians and newspapers allow the business of the Federal Reserve Bank to pursue its course under the direction of the Federal Reserve Board and work out its own salvation as best it may. Such gratuitous and unnecessary disturbing of conditions—which, so far as I know from any stockholding banks within district No. 7, are working out just as well as it is possible to do and just as fast as it is possible to do under the circumstances—is entirely unwarranted. I have kept closely in touch with every stockholding bank in Michigan, and I have not heard one single unfavorable comment on the work of the Federal Reserve Bank of Chicago. If there are any unfavorable comments from any source, it would be, indeed, most gratifying if they would be permitted to reach members of the directorate in an authoritative manner from the Federal Reserve Board in Washington, if they have any such complaint filed with them. But that the Federal Reserve Board in Washington should allow itself to be undermined and the Federal Reserve system brought into disrepute by ambitious politicians and sensational newspapers is utterly criminal in effect, unless there is some warrant in fact for such sensational political criticism; and even in that case, then it should be required by the Federal Reserve Board, I venture to suggest, that criticisms of a district bank should be made to the Federal Reserve Board, so that it might itself be informed, and that it might in turn inform the directors of the district bank which are being attacked for their methods and results obtained.

Is it anything less than criminal for a politician, who can enlist the columns of a newspaper of the character of the Chicago Tribune, to put out the following statement? The Chicago Tribune prints the following as the words of Mr. LINDBERGH.

"To cause high prices all the trust, as typified by the control of the Chicago bank by Mr. Forgan and Mr. Reynolds, will have to do will be to lower the rediscount rate so that the associated banks will more generally apply for and receive the Federal reserve notes, producing an expansion of credit and a rising of the stock market.

COULD EASILY CREATE PANIC.

"Then when business men have adjusted themselves to these conditions the trust can check world-wide prosperity in midcareer by arbitrarily raising the rate of discount. It can cause the pendulum of a rising and falling market to swing gently back and forth by slight changes in the discount rate, or cause violent fluctuations by a greater rate variation."

Now, whatever Mr. Forgan and Mr. Reynolds may have done they will have to be responsible for. They could have done nothing or taken no action as the executive committee or as directors without the sanction and approval of the other members of the executive committee or of the other directors. If any act has been taken by the executive committee, the record of it is on file in the minutes of the meetings of the executive committee, which minutes are submitted to the regular monthly directors' meeting for the approval of the board itself. So far as I know and am able to ascertain, the work of Mr. Forgan and the work of Mr. Reynolds has been diligent, ceaseless, and unfailingly in the interests of the promotion of the welfare of the Federal Reserve System and of the Federal Reserve Board in Washington and of the Federal Reserve Bank of Chicago, district No. 7.

Every act which has been done by the executive committee has had the approval of the board of directors, and though I have been unable for various reasons to attend myself every board meeting, yet I should have voted for everything done there had I been present. So far as I know the only negative vote ever recorded at a meeting of the directors of the Federal Reserve Bank of Chicago was my personal vote recorded in opposition to the small compensation which the other members of the board voted as being proper and adequate for their services. I voted "no" because I thought the compensation was ridiculously small, and did not begin to dream of paying in any way for the time necessarily spent on the affairs of the bank as a director. I favored \$100 a meeting as the fee to each director and \$100 a month for incidental expenses, correspondence, and time devoted to keep educated on the current affairs of the Federal Reserve Bank. The Federal Reserve Bank Board in Washington has, however, overruled even the small compensation which I felt was too small, and has granted a still smaller compensation to Federal directors. I am sure, therefore, that Mr. Forgan and Mr. Reynolds can not be charged with grabbing exorbitant fees. The fees are ridiculous and not adequate and will not ultimately prevail, and should not.

I myself to-day am on my way to Chicago from New York, having left New York yesterday when I greatly desired to remain there, in order to attend the meeting at Chicago on account of the political disturbances and turmoil injected into the affairs of the bank by Congressmen and Senators above enumerated.

Whatever the directors of the Federal Reserve Bank of Chicago have done they will have to be responsible for, and I am one of them, and I do not propose, without picturing the iniquity of it, to permit such slush to be fed to the public by anybody, attacking the sincere work of the directors of district No. 7 toward the working out of the Federal Reserve System and the sincere work of the Federal Reserve Board in Washington in aiding and controlling and regulating under the Federal Reserve act the actions taken by the Chicago district bank directors.

Any person almost, with the sense of a chicken, would know that what Mr. LINDBERGH states as being within the possibilities for Mr. Forgan and Mr. Reynolds to do in the way of fixing the rate of interest up and down in the Chicago district is utterly false in every particular and totally impossible, because whatever rate of interest is recommended by the directors of the Federal Reserve Bank must first be approved

under the provisions of the Federal reserve act by the Federal Reserve Board in Washington before it is put into effect. All the rest of the articles and interviews in the Chicago Tribune are on a par with the sensational slush which I have quoted.

If we are going to save the Federal reserve bank and make the most of it which it is possible to do in the interests of business, I most urgently appeal to the Federal Reserve Board in Washington to save those gentlemen who are serving their time as directors on the Federal reserve bank in Chicago without compensation, practically, and who are sacrificing their own interests to attend to the affairs of the bank, hoping to upbuild it and aid in its evolution, from just such newspaper and political attacks as that being fomented in this instance.

If there are any acts done by Chicago district No. 7 bank which are to be criticized by the bankers of the district who own the stock in the bank as member banks, and who own and supply its capital as member banks, or by the business men of the district who do business with the banks of the district, whether member banks or nonmember banks, the business-men directors and the Government directors and the bank directors are here on the job in the district to hear any complaints and criticisms. I have heard none, nor do I know of any so far. It is indeed with deep regret that I find a newspaper or politician willing to thrust the Federal Reserve Bank System into the mire of pothouse politics and newspaper sensationalism.

Very truly, yours,

HENRY B. JOY,
Director Federal Reserve Bank of Chicago.

The following is the reply that I made to the Henry B. Joy letter:

WASHINGTON, D. C., January 13, 1915.

MR. HENRY B. JOY,
Detroit, Mich.

DEAR SIR: I beg to acknowledge receipt of yours of 7th instant, which is a circular copy addressed to all Members of Congress—and I am informed has also been sent to bankers and large business concerns—of a letter from you to Hon. F. A. Delano, vice governor Federal Reserve Board, Washington, D. C., in which you rather emphatically undertake to call me to account for a recent action which I took in my representative capacity as a Member of the House. On January 6 I introduced a resolution, a copy of which is inclosed for your information, and it was in reference to that resolution that the article appeared in the Chicago Tribune to which you refer.

The burden of your criticism of me appears to consist in this, that you seem to feel that no newspaper, official, or citizen has any right to criticize either the act creating the Federal Reserve Board or the conduct of that board or of the officials of the reserve banks organized under it in anything they may do or undertake to do. It goes almost without saying that your specific criticism of me does not apply to what I said. No remark or utterance of mine would imply that I thought the directors of the Federal Reserve Bank of Chicago had or now have the power to raise and lower the discount independent of the Federal Reserve Board. A careful reading of the quotation you have made from the Chicago Tribune shows that I did not say that. What I did say was that the Money Trust, now in control of the Federal Reserve Board, and the entire system for that matter, can raise and lower interest rates at its will, with the attendant consequences which I pointed out.

Your general criticism of my action deserves more careful attention. It reminds one so completely of the complaints that used to be made years ago by the common carriers of the country when it was suggested that governmental agencies, both the State and Nation, had the right to regulate rates and conditions of transportation. Do you not remember how the railway barons who had, as they thought, the destinies of the Nation in their hands used to say:

"Why, we own these railways. It was our money that built them and it is our money that is now invested in them. It is none of the public's business how we run them or what rates we charge."

Surely you remember that? But the courts have held that the public has an interest, even in railways owned by private corporations, and may criticize the management and even control rates, stopping only short of actual confiscation.

But, you will say, the case of the Federal reserve banks is different. Quoting your own words, you "feel that it is one of the prerogatives of the Federal Reserve Board to demand that politicians and newspapers allow the business of the Federal reserve bank to pursue its course under the direction of the Federal Reserve Board and work out its own salvation as best it may."

Though how the Federal Reserve Board would operate under that prerogative to make good its demand is more than I can understand, and you have failed to say. Under our system of government, Members of Congress can not be called in question in any other place—not even in the Federal Reserve Board—for what they do or say on the floor of the House, and even newspapers are allowed quite wide latitude in free America as to their utterances in regard to questions of a public character. So, in view of this immunity granted both to "politicians"—as you are pleased to call me—and the press, and in view of what I know, both as to the inception and proposed operation of the Federal Reserve System, I am very much inclined to believe that your worst fears as to the Federal reserve bank becoming the "football of politicians and of a certain class of newspapers" are more than likely to be realized, because as soon as the true purposes of the system are clearly understood the people will rise in their might and kick it all over the lot.

Had not the Money Trust demanded and received as a component part of the Federal reserve system a monopoly of the use of the public credit of the United States to bolster up and reinforce its speculative schemes and the almost free use of the Treasury funds, as well as a monopoly of the banking and private credit interests of the country, you might, with far less effrontery than you are now in a position to do, demand that the public, and even a Representative in Congress, refrain from all criticism of its affairs. But it did demand and receive all these things, and what else can you now expect than that a Representative of the people in Congress who wishes to do his duty not only to his constituents, but to his country as well, will feel it incumbent upon him to watch as carefully as he can to see if that public credit and the Treasury funds are going to be used to oppress the people or for their benefit? Believing, as I firmly do, that it is the purpose and intention of the Money Trust to use both this credit and those funds to oppress the people, you may be very sure that so long as I remain in Congress I shall take a very lively interest in all the affairs of the Federal Reserve Board and the various organizations under its jurisdiction, and shall not hesitate to criticize the conduct of any of them whenever I find it necessary to the public welfare to do so.

One other suggestion in your letter deserves attention from me. You intimate that such criticism of the Money Trust and the Federal reserve system as I have indulged in "is a very laudable object from somebody's point of view and probably pays or they wouldn't do it." It has never paid me in the way in which you seem to infer. It is true that there is a certain satisfaction in knowing that one has faithfully performed a public duty, but my observation has been that if one wanted to profit, either financially or in the way of political preferment, from his public acts it is rather safer to take the other side than the one I have identified myself with. For instance, such criticism as yours of an official act of a Representative in his representative capacity, coming in the way yours did from a director of a reserve bank, but on the other side of the question, would probably be taken by the Federal Reserve Board as a just and proper cause for dismissal from further service as such director. I do not know how they would regard your criticism of my representative action and am too busy just now to find out, but will say to you this, that if you think I have introduced my resolution because I thought it would "pay" me to do so, you were never more mistaken in your life.

Sincerely,

C. A. LINDBERGH.

MR. ADAMSON. Mr. Chairman, I move that the committee do now rise and report the bill with the amendments to the House, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. RAKER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill S. 2337 and had directed him to report the same to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

MR. ADAMSON. Mr. Speaker, I move the previous question on the bill and all amendments to final passage.

The question was taken, and the previous question was ordered.

LEAVE OF ABSENCE.

By unanimous consent, Mr. RUSSELL was granted leave of absence, for two days, on account of sickness.

TO CREATE THE COAST GUARD.

THE SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The question was taken, and the amendments were agreed to.

THE SPEAKER. The question is on the third reading of the Senate bill.

MR. MANN. Mr. Speaker, I ask for a reading of the Senate bill.

THE SPEAKER. The gentleman from Illinois [Mr. MANN] demands a reading of the Senate bill.

MR. MANN. That would be the Senate bill with amendments, of course. Well, I do not know myself how it ought to be done, and I do not know whether anybody else does, so I withdraw the demand.

THE SPEAKER. Does the gentleman demand the reading of the engrossed copy of this bill?

MR. MANN. Yes; I am demanding the reading of it. We know the Senate engrossed copy is there, of course, but it would have to be read with the amendments.

THE SPEAKER. The Clerk will read the bill.

MR. MANN. I said that I would withdraw the demand. I do not think the Clerk can do it.

THE SPEAKER. The question is on the passage of the bill.

MR. THOMPSON of Oklahoma. Mr. Speaker, I make the point that there is no quorum present.

MR. UNDERWOOD. The House is dividing. I think it would be an automatic call.

MR. MANN. Will not the gentleman from Oklahoma raise the point on the vote?

MR. UNDERWOOD. He was making it on the vote.

MR. MANN. The question was not put.

MR. UNDERWOOD. The Speaker was putting it.

THE SPEAKER. The question is on the passage of the bill. The question was taken, and the Speaker announced that the ayes seemed to have it.

MR. THOMPSON of Oklahoma. Mr. Speaker, I make the point of no quorum.

THE SPEAKER. The Chair will count. [After counting.] One hundred and sixty Members are present, not a quorum. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll. Those in favor of passing the bill will answer "yea," and those opposed will answer "nay."

The question was taken; and there were—yeas 212, nays 79, answered "present" 3, not voting 130, as follows:

YEAS—212.

Abercrombie	Alexander	Aswell	Barchfeld
Adair	Allen	Austin	Barkley
Adamson	Anderson	Avis	Bartholdt
Alken	Ashbrook	Baker	Bartlett

Bathrick	Esch	Kelly, Pa.	Parker, N. Y.
Beakes	Farr	Kent	Patten, N. Y.
Bell, Cal.	Fergusson	Kettner	Peters
Blackmon	Ferris	Key, Ohio	Phelan
Boohar	Fess	Kless, Pa.	Plumley
Britten	Fields	Kinkaid, Nebr.	Price
Brockson	Foster	Kirkpatrick	Prouty
Broussard	Francis	Kitchin	Rainey
Brown, N. Y.	Frear	Knowland, J. R.	Raker
Browne, Wis.	Gallagher	Konop	Rauch
Browning	Gallivan	Korbly	Rayburn
Bryan	Gardner	Lafferty	Reilly, Conn.
Buchanan, Ill.	Garner	La Follette	Roberts, Mass.
Buchanan, Tex.	Gerry	Lazaro	Rogers
Bulkley	Gillett	Lee, Pa.	Rubey
Burgess	Gilmore	Lentoot	Scully
Burke, S. Dak.	Gittins	Levy	Seldomridge
Burke, Wis.	Glass	Lindbergh	Sherley
Barnett	Godwin, N. C.	Lloyd	Sherwood
Butler	Goeke	Lobeck	Shreve
Byrnes, S. C.	Good	Loft	Sims
Carlin	Gordon	Logue	Sinnott
Cary	Graham, Ill.	Loneragan	Slemp
Casey	Greene, Mass.	McAndrews	Small
Chandler, N. Y.	Greene, Vt.	McGillicuddy	Smith, Idaho
Church	Gregg	McGuire, Okla.	Smith, N. Y.
Clancy	Gudger	McKellar	Stafford
Coady	Guernsey	McLaughlin	Stanley
Connolly, Iowa	Hamilton, N. Y.	Maguire, Nebr.	Stedman
Cooper	Harris	Mapes	Steenerson
Cramton	Harrison	Martin	Stephens, Cal.
Crosser	Hawley	Mitchell	Stephens, Nebr.
Cullop	Hayden	Montague	Stevens, Minn.
Curry	Hayes	Morgan, Okla.	Stevens, N. H.
Danforth	Helgesen	Moss, W. Va.	Stone
Deltrick	Hensley	Mott	Stout
Dent	Hinds	Murdock	Switzer
Dershem	Holland	Neeley, Kans.	Talcott, N. Y.
Dickinson	Houston	Neely, W. Va.	Tavener
Dixon	Hughes, Ga.	Nolan, J. I.	Taylor, Ark.
Donohoe	Hughes, W. Va.	O'Brien	Temple
Donovan	Hulings	Oglesby	Thacher
Doolittle	Humphrey, Wash.	O'Hair	Thomson, Ill.
Doremus	Humphreys, Miss.	Oldfield	Treadway
Driscoll	Igoe	Padgett	Tuttle
Drukker	Johnson, Wash.	Page, N. C.	Underwood
Dupré	Jones	Paige, Mass.	Volstead
Eagan	Keating	Palmer	Watson
Edwards	Kelley, Mich.	Parker, N. J.	Young, N. Dak.

NAYS—79.

Anthony	Floyd, Ark.	Kreider	Sloan
Bailey	Fordney	Leshar	Smith, J. M. C.
Baltz	Fowler	Lieb	Smith, Minn.
Borchers	Garrett, Tenn.	Linthicum	Smith, Tex.
Byrnes, Tenn.	Gill	McKenzie	Stephens, Miss.
Callaway	Goodwin, Ark.	Manahan	Stephens, Tex.
Candler, Miss.	Graham, Pa.	Mann	Summers
Caraway	Gray	Mondell	Sutherland
Claypool	Green, Iowa	Moon	Thompson, Okla.
Cline	Hardy	Morrison	Towner
Collier	Haugen	Moss, Ind.	Tribble
Connelly, Kans.	Hefflin	Norton	Vaughan
Cox	Helm	Park	Vinson
Crisp	Helvering	Peterson	Watkins
Davenport	Hill	Platt	Webb
Dillon	Howard	Powers	Williams
Doughton	Howell	Quin	Wingo
Eagle	Jacoway	Reilly, Wis.	Witherspoon
Finley	Johnson, Ky.	Sisson	Young, Tex.
FitzHenry	Kindel	Slayden	

ANSWERED "PRESENT"—3.

Gard	Hull	Lee, Ga.
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NOT VOTING—130.

Ainey	Fairchild	Lever	Scott
Barnhart	Faison	Lewis, Md.	Sells
Barton	Falconer	Lewis, Pa.	Shackelford
Beall, Tex.	Fitzgerald	Lindquist	Smith, Md.
Bell, Ga.	Flood, Va.	McClellan	Smith, Saml. W.
Borland	French	MacDonald	Sparkman
Bowdie	Garrett, Tex.	Madden	Stringer
Brodbeck	George	Mahan	Taggart
Brown, W. Va.	Goldfogle	Maher	Talbott, Md.
Bruckner	Gorman	Metz	Taylor, Ala.
Brumbaugh	Goulden	Miller	Taylor, Colo.
Burke, Pa.	Griest	Moore	Taylor, N. Y.
Calder	Griffin	Morgan, La.	Ten Eyck
Campbell	Hamill	Morin	Thomas
Cantor	Hamilton, Mich.	Mulkey	Townsend
Cantrill	Hamlin	Murray	Underhill
Carew	Hart	Nelson	Vare
Carr	Hay	O'Shaunessy	Vollmer
Carter	Henry	Patton, Pa.	Walker
Clark, Fla.	Hinebaugh	Porter	Wallin
Conry	Hobson	Post	Walsh
Copley	Hoxworth	Pou	Walters
Dale	Johnson, S. C.	Ragsdale	Weaver
Davis	Johnson, Utah	Reed	Whaley
Decker	Kahn	Riordan	Whitacre
Dies	Keister	Roberts, Nev.	White
Difenderfer	Kennedy, Conn.	Rothermel	Wilson, Fla.
Dooling	Kennedy, Iowa	Rouse	Wilson, N. Y.
Dunn	Kennedy, R. I.	Rucker	Winslow
Edmonds	Kinkaid, N. J.	Rupley	Woodruff
Elder	Langham	Russell	Woods
Estopinal	Langley	Sabath	
Evans	L'Engle	Saunders	

So the bill was passed.

The Clerk announced the following pairs:

On the vote:

Mr. BARNHART (for) with Mr. DIES (against).

Mr. KAHN (for) with Mr. GARD (against).

Until further notice:

Mr. BELL of Georgia with Mr. MILLER.

Mr. WILSON of Florida with Mr. DUNN.

Mr. CANTRILL with Mr. AINEY.

Mr. CARTER with Mr. BURKE of Pennsylvania.

Mr. CLARK of Florida with Mr. DAVIS.

Mr. CONRY with Mr. EDMONDS.

Mr. DALE with Mr. CAMPBELL.

Mr. DOOLING with Mr. COPLEY.

Mr. ESTOPINAL with Mr. FAIRCHILD.

Mr. FITZGERALD with Mr. CALDER.

Mr. FLOOD of Virginia with Mr. GRIEST.

Mr. GARRETT of Texas with Mr. HAMILTON of Michigan.

Mr. GOLDFOGLE with Mr. JOHNSON of Utah.

Mr. GORMAN with Mr. KEISTER.

Mr. GRIFFIN with Mr. KENNEDY of Rhode Island.

Mr. HAMLIN with Mr. KENNEDY of Iowa.

Mr. HAY with Mr. LANGHAM.

Mr. HENRY with Mr. MADDEN.

Mr. JOHNSON of South Carolina with Mr. MOORE.

Mr. LEE of Georgia with Mr. MORIN.

Mr. LEVER with Mr. NELSON.

Mr. MORGAN of Louisiana with Mr. LANGLEY.

Mr. O'SHAUNESSY with Mr. LINDQUIST.

Mr. POU with Mr. PATTON of Pennsylvania.

Mr. RAGSDALE with Mr. PORTER.

Mr. ROUSE with Mr. SCOTT.

Mr. RUCKER with Mr. SELLS.

Mr. RUSSELL with Mr. SAMUEL W. SMITH.

Mr. SABATH with Mr. ROBERTS of Nevada.

Mr. SPARKMAN with Mr. WOODS.

Mr. TALBOTT of Maryland with Mr. WINSLOW.

Mr. WHALEY with Mr. VARE.

Mr. FAISON with Mr. WALLIN.

Mr. GARD. Mr. Speaker, may I ask if the gentleman from California [Mr. KAHN] voted?

The SPEAKER. He did not.

Mr. GARD. I am paired for this occasion with Mr. KAHN. I wish to withdraw my vote of "no" and answer "present."

The SPEAKER. The Clerk will call the gentleman's name.

The Clerk called the name of Mr. GARD and he answered "Present."

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present, and the Doorkeeper will open the doors.

On motion of Mr. ADAMSON, a motion to reconsider the vote whereby the bill was passed was laid on the table.

RESIGNATION FROM A COMMITTEE.

The SPEAKER. The Chair lays before the House a letter of resignation from a committee, which the Clerk will report.

The Clerk read as follows:

HOUSE OF REPRESENTATIVES, UNITED STATES,

Washington, D. C., January 19, 1915.

Hon. CHAMP CLARK,

Speaker of the House of Representatives,

Washington, D. C.

MY DEAR SPEAKER CLARK: Having been assigned to service on the Committee on the Judiciary, I beg leave to tender my resignation as member of the Committee on Military Affairs in the House of Representatives.

Very truly,

WARREN GARD.

The SPEAKER. Without objection, the resignation will be accepted.

There was no objection.

EXTENSION OF REMARKS.

Mr. BAILEY. Mr. Speaker, I ask unanimous consent to extend my remarks on the bill just passed.

The SPEAKER. The gentleman from Pennsylvania [Mr. BAILEY] asks unanimous consent to extend his remarks on the bill just passed. Is there objection?

There was no objection.

ENROLLED BILLS SIGNED.

The SPEAKER announced his signature to enrolled bills of the following titles:

S. 6309. An act to establish the Rocky Mountain National Park in the State of Colorado, and for other purposes; and S. 4012. An act to increase the limit of cost of the United States public building at Grand Junction, Colo.

ADJOURNMENT.

Mr. ADAMSON. Mr. Speaker, I believe it is too late to call up another bill to-night, and I therefore move that the House adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 49 minutes) the House adjourned, in conformity with the order previously made, until to-morrow, Thursday, January 21, 1915, at 11 o'clock a. m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1. A letter from the Secretary of War, transmitting letter from the Chief of Engineers, United States Army, with copies of reports and map, on preliminary examination and survey of Black Walnut Harbor, Md. (H. Doc. No. 1508); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

2. A letter from the Secretary of War, transmitting letter from the Chief of Engineers, with copies of reports and map, on preliminary examination and plan and estimate of cost of improvement of Wicomico River, Md. (H. Doc. No. 1509); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. WITHERSPOON, from the Committee on Naval Affairs, to which was referred the bill (H. R. 20694) to repeal section 9 of the naval personnel act of March 3, 1899, and to transfer certain classes of officers from the retired to the active list of the Navy and Marine Corps, reported the same with amendment, accompanied by a report (No. 1304), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. LA FOLLETTE, from the Committee on the Public Lands, to which was referred the bill (S. 4146) granting certain lands to school district No. 44, Chelan County, Wash., reported the same without amendment, accompanied by a report (No. 1305), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. ESTOPINAL: A bill (H. R. 21068) to provide homes for Confederate veterans of the Civil War; to the Committee on Military Affairs.

By Mr. EDWARDS: A bill (H. R. 21069) providing an appropriation of \$30,000 for dredging, repairs, and other improvements at the Savannah, Ga., quarantine station; to the Committee on Appropriations.

By Mr. LOGUE: A bill (H. R. 21070) to further regulate the purchase of sites and the erection of public buildings thereon and the making of appropriation therefor; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 21071) to provide for the protection of subcontractors and material men engaged in doing work or furnishing material for the erection of Government buildings; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 21072) to provide for the establishment of a bureau of public buildings, and for other purposes; to the Committee on Public Buildings and Grounds.

By Mr. BARTHOLOMT: A bill (H. R. 21073) for the better protection of aliens and for the enforcement of their treaty rights; to the Committee on the Judiciary.

By Mr. ALEXANDER: A bill (H. R. 21074) increasing the limit of cost of the United States post-office building at Excelsior Springs, Mo.; to the Committee on Public Buildings and Grounds.

By Mr. CARY: Joint resolution (H. J. Res. 406) authorizing the Sergeants at Arms of the House and Senate to supply each Member of Congress with an identification insignia; to the Committee on the Judiciary.

By Mr. WITHERSPOON: Resolution (H. Res. 707) for the consideration of H. R. 20694; to the Committee on Rules.

Also, resolution (H. Res. 708) to make it in order to consider certain paragraphs of the bill to make appropriations for the naval service, and for other purposes; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BAILEY: A bill (H. R. 21075) granting an increase of pension to Susannah Ditterline; to the Committee on Pensions.

By Mr. BROWN of West Virginia: A bill (H. R. 21076) for the relief of George T. Goshorn; to the Committee on Claims.

By Mr. BRYAN: A bill (H. R. 21077) for the relief of W. F. Crawford; to the Committee on Claims.

By Mr. CURRY: A bill (H. R. 21078) granting a pension to Thomas F. Tierney; to the Committee on Pensions.

By Mr. HAMILTON of New York: A bill (H. R. 21079) granting an increase of pension to Mary A. Wallace; to the Committee on Invalid Pensions.

By Mr. HAWLEY: A bill (H. R. 21080) granting an increase of pension to George Van Nortwick; to the Committee on Invalid Pensions.

By Mr. HOWELL: A bill (H. R. 21081) for the relief of Truman G. Peters and others; to the Committee on Claims.

By Mr. LANGLEY: A bill (H. R. 21082) granting an increase of pension to Disia Stamper; to the Committee on Invalid Pensions.

By Mr. O'SHAUNESSY: A bill (H. R. 21083) authorizing the Secretary of the Navy to reenlist Roger S. Culp, a chief gunner's mate, in the United States Navy; to the Committee on Naval Affairs.

By Mr. SHACKLEFORD: A bill (H. R. 21084) granting a pension to John H. Campbell; to the Committee on Invalid Pensions.

By Mr. SLOAN: A bill (H. R. 21085) for the relief of William H. Phillips; to the Committee on Military Affairs.

Also, a bill (H. R. 21086) granting an increase of pension to Thomas Armstrong; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Alabama: A bill (H. R. 21087) granting a pension to Gertrude S. Kessler and her three minor sons; to the Committee on Pensions.

By Mr. WALSH: A bill (H. R. 21088) granting a pension to Thomas Travers; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of the board of trade and citizens of Put-in-Bay Island, Lake Erie, Ohio, protesting against the passage of the seamen's bill in its present form; to the Committee on the Merchant Marine and Fisheries.

Also (by request), memorial of West Liberty Iowa Christian Church, relative to the Mormon Church in the United States; to the Committee on the Judiciary.

By Mr. ASHBROOK: Memorial of city council of Mansfield, Ohio, favoring the passage of the Hamill bill, H. R. 5139; to the Committee on Reform in the Civil Service.

Also, evidence to accompany H. R. 21038, for the relief of Mary A. Shannon; to the Committee on Pensions.

By Mr. BAILEY: Petitions of W. L. Stewart, of Johnstown, Pa., and Albert W. Wharton, of Altoona, Pa., protesting against amendment to Post Office appropriation bill relative to freedom of the press; to the Committee on the Post Office and Post Roads.

By Mr. BALTZ: Petitions of sundry citizens of St. Clair, Ill., protesting against passage of Senate bill 6865; to the Committee on the District of Columbia.

Also, petition of citizens and members of St. Mary's Church, of Alton, Ill., protesting against export of munitions of war; to the Committee on Foreign Affairs.

By Mr. BROWNE of Wisconsin: Petition signed by August L. Buettner, William Engel, and other residents of Shawano, Wis., asking that House joint resolution 377, which prohibits the export of arms, ammunition, and munitions of war of every kind, be enacted into law; to the Committee on Foreign Affairs.

Also, petition signed by Rev. F. Brockmann, George Stolze, and other residents of Wausau, Wis., asking that laws be passed which will enable the President of the United States to place an embargo on all contraband of war, save foodstuffs only; to the Committee on Foreign Affairs.

Also, petitions signed by Rev. G. H. Schilling, jr., John M. Johnson, and other residents of Embarrass; August Bonke, Alb. Gomoll, and other residents of Clintonville; Will Thiel, William Boehm, and other residents of Weyauwega; H. Belter, A. A. Graichen, and other residents of Coloma; George W. Lippert, Herman Habeck, and other residents of Athens; Otto Bartel, August H. Raatz, and other residents of Waushara County; H. W. Marquardt, Emil Hoffmann, and other residents of Marathon County; R. C. Hennig, William Braun, and other residents

of Athens; John Ulmer, F. Pamperin, and other residents of Marshfield; Fred Kuhn, William F. Beyer, Rudolph Schlender, Fred Knoke, August Miller, August Zietlow, F. W. Retzlaff, August Beversdorf, Rev. E. R. Kraeft, W. P. Nichols, Rev. E. C. T. Sterbenooll, Richard Tews, William Brown, Fred Grimm, Ernst Kruger, Martin Mussack, and other residents of Shawano County; and William F. Becker, F. William Strohschoen, and other residents of Marion, all in the State of Wisconsin, asking that House joint resolution 377, which prohibits the export of arms, ammunition, and munitions of war of every kind, be enacted into law; to the Committee on Foreign Affairs.

By Mr. BURKE of Wisconsin: Resolutions adopted by Home Order of Foresters, Court No. 1, of Sheboygan, Wis., and Schiller Lodge, No. 68, Independent Order of Odd Fellows, of Sheboygan, Wis., asking for the passage at this session of Congress of a law to enable the President to levy an embargo upon all contraband of war save foodstuffs only; to the Committee on Foreign Affairs.

By Mr. CALDER: Memorial of St. Wojciecha B. M. No. 211, of south Brooklyn, N. Y., and Abraham Goldfaden Lodge, No. 505, Independent Order B'rith Abraham, of New York, protesting against the passage of the immigration bill, H. R. 6060; to the Committee on Immigration and Naturalization.

By Mr. CARY: Petition of Richard Jaehnigen, William Rasche, Frederick Zahm, J. H. Thiesen, Gustav Kerlin, Eugene Schmidt, Frank Roth, G. Froberg, C. Schubert, A. Wenzel, Helmuth Gotwald, Max Drews, and 300 others, all residents of Milwaukee County, Wis., urging the passage of House joint resolution 377; to the Committee on Foreign Affairs.

By Mr. DILLON: Petition of citizens of Wakonda, S. Dak., and vicinity, protesting against shipment of war supplies by United States; to the Committee on Foreign Affairs.

Also, petition of citizens of South Dakota, favoring passage of House joint resolution 377, relative to shipment of munitions of war; to the Committee on Foreign Affairs.

By Mr. DONOVAN: Petition of citizens of Danbury, Conn., favoring House joint resolution 377, to forbid export of arms; to the Committee on Foreign Affairs.

By Mr. EAGAN: Petition of Consistory of the G. E. Church, of Hoboken, N. J., protesting against shipment of munitions of war by United States; to the Committee on Foreign Affairs.

By Mr. ESCH: Memorial of Anthony Piotrowski, president of Branch No. 6, Polish Alliance of America, and Martin Burzynski, president of Polish Alliance of America, Thorp, Wis., protesting against the literacy test in the immigration bill; to the Committee on Immigration and Naturalization.

Also, petition of Rev. C. F. W. Voges and 28 other citizens of Ridgeville, Monroe County, Wis., favoring passage of House joint resolution against shipment of munitions of war by United States; to the Committee on Foreign Affairs.

By Mr. GILMORE: Petition of Men's Bible Class of the Congregational Sunday School, of Sharon, Mass., relative to admission of Japanese immigrants; to the Committee on Immigration and Naturalization.

Also, petition of priests of diocese of Scranton, Pa., favoring exclusion of certain publications from the mails; to the Committee on the Post Office and Post Roads.

By Mr. HOXWORTH: Petition of citizens of the fifteenth Illinois district, favoring passage of House joint resolution 377; to the Committee on Foreign Affairs.

By Mr. KENNEDY of Rhode Island: Petition of Polish Falcons, of Central Falls, and To Po Sw Mi Ar 1180, Y. N. P., of Woonsocket; T. and W. Rycerze Polys Wladyslaw Kozlowski, of Providence; and Union Club, of Jamestown, all in the State of Rhode Island, protesting against the passage of the immigration bill; to the Committee on Immigration and Naturalization.

By Mr. KINDEL: Petition of Pueblo (Colo.) German and Austrian Widows and Orphans War Sufferers' Society, favoring bill to forbid export of arms; to the Committee on Foreign Affairs.

By Mr. KONOP: Petition of citizens of Florence, Wis., protesting against prohibition in District of Columbia; to the Committee on the District of Columbia.

Also, petitions of citizens of the ninth congressional district of Wisconsin, favoring passage of House joint resolution 377, relative to shipment of munitions of war by United States; to the Committee on Foreign Affairs.

By Mr. LEVY: Petition of citizens of New York City, favoring Palmer-Owen child-labor bill; to the Committee on Labor.

By Mr. LONERGAN: Petition of Andrew Oberz, president of Polish National Alliance Society, Glastonbury, Conn., protesting against the Smith-Burnett immigration bill; to the Committee on Immigration and Naturalization.

By Mr. MADDEN: Petition of citizens of Chicago, Ill., against Senate bill 6865, to prohibit sale of liquors in the District of Columbia; to the Committee on the District of Columbia.

By Mr. MAGUIRE of Nebraska: Petition of sundry citizens of Nebraska, favoring passage of Senate resolution 6683, relative to export of munitions of war; to the Committee on Foreign Affairs.

By Mr. MAHAN: Petition of sundry citizens of Norwich, Conn., and vicinity, favoring House joint resolution 377, relative to export of munitions of war; to the Committee on Foreign Affairs.

By Mr. METZ: Memorial of Holy Name Society of Our Lady of Lourdes parish, Brooklyn, and Brooklyn Diocesan Branch of the American Federation of Catholic Societies, and citizens of the tenth congressional district of New York, favoring legislation to bar from the United States mails publications that slander the Catholic Church; to the Committee on the Post Office and Post Roads.

By Mr. MURDOCK: Petition of citizens of Garden Plains, Kans., favoring the passage of House joint resolution 377; to the Committee on Foreign Affairs.

By Mr. J. I. NOLAN: Petitions of sundry citizens of San Francisco, Cal., favoring the passage of House joint resolution 377, prohibiting the export of munitions of war; to the Committee on Foreign Affairs.

By Mr. O'HAIR: Petition of citizens of Iroquois county, Ill., favoring House joint resolution 377, to forbid export of arms; to the Committee on Foreign Affairs.

By Mr. REILLY of Connecticut: Petition of citizens of the State of Connecticut, favoring the passage of House joint resolution 377, relative to export of munitions of war; to the Committee on Foreign Affairs.

Also, petitions of citizens of Wallingford, Conn., protesting against the passage of the immigration bill (H. R. 6060); to the Committee on Immigration and Naturalization.

By Mr. STEPHENS of California: Petition of board of supervisors of San Diego County, Cal., favoring plan of an appropriation for construction of a military road from Yuma; to the Committee on Roads.

Also, petitions of Emily G., Ella M., and Elizabeth W. Hunt, of Pasadena, Cal., protesting against shipment of American horses to European battle fields; to the Committee on Foreign Affairs.

Also, petition of San Francisco Camp, No. 4, National Indian War Veterans, San Francisco, Cal., favoring passage of the Keating bill to place Indian war veterans who served between 1865 and 1891 on regular Indian war veterans' pension roll; to the Committee on Pensions.

Also, petition of California Associated Societies for the Conservation of Wild Life, favoring passage of Rocky Mountain Park bill; to the Committee on the Public Lands.

Also, petition of Kullman, Salz & Co., of Benicia, Cal., relative to amendment to present tariff law; to the Committee on Ways and Means.

By Mr. VOLLMER: Petitions of 524 American citizens for the adoption of House joint resolution 377, prohibiting the export of war materials; to the Committee on Foreign Affairs.

Also, petition of the Clinton Turn Verein Vorwaerts, of Clinton, Iowa, comprising a membership of 312, to lay an embargo upon all contraband of war; to the Committee on Foreign Affairs.

Also, petition of the Vorwaerts Turn Verein, of Muscatine, Iowa, comprising a membership of 43, to lay an embargo upon all contraband of war; to the Committee on Foreign Affairs.

Also, petition of the Muscatine Mannerchor, Muscatine, Iowa, comprising a membership of 59, to lay an embargo upon all contraband of war; to the Committee on Foreign Affairs.

SENATE.

THURSDAY, January 21, 1915.

(Legislative day of Friday, January 15, 1915.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

THE MERCHANT MARINE.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (S. 6856) to authorize the United States, acting through a shipping board, to subscribe to the capital stock of a corporation to be organized under the laws of the United States or of a State thereof or of the District of Columbia to purchase, construct, equip, maintain, and operate merchant vessels in the foreign trade of the United States, and for other purposes.

Mr. SMCOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.